



DECEMBER 2025

# Fixed Income Pooled Investment Portfolios

Financial Statements

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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**

**FIXED INCOME - POOLED INVESTMENT PORTFOLIOS**

**GROUP OF FUNDS**

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Canadian Money Market Fund ST1  
Canadian Money Market Fund ST2  
U.S. Dollar Money Market Fund ST3  
U.S. Dollar Money Market Fund ST4  
CDOR 2 Floating Rate Fund  
CDOR 4 Floating Rate Fund  
CORRA 1 Floating Rate Fund  
SOFR 1 Floating Rate Fund  
Short Term Bond Fund  
Corporate Bond Fund  
The Funding Program  
Government Bond Fund

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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (BCI) manages Pooled Investment Portfolios (the "Funds") on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the following Funds for the year ended December 31, 2025:

Canadian Money Market Fund ST1	CORRA 1 Floating Rate Fund
Canadian Money Market Fund ST2	SOFR 1 Floating Rate Fund
U.S. Dollar Money Market Fund ST3	Short Term Bond Fund
U.S. Dollar Money Market Fund ST4	Corporate Bond Fund
CDOR 2 Floating Rate Fund	The Funding Program
CDOR 4 Floating Rate Fund	Government Bond Fund

The financial statements of the Funds have been prepared by management of BCI and approved by the Chief Investment Officer/Chief Executive Officer. All of the financial statements have been prepared in accordance with IFRS Accounting Standards. The material accounting policy information used in the preparation of these statements are disclosed in note 3 to the financial statements. The statements include certain amounts that are based on management's judgement and best estimates.

BCI's Board has established an Audit Committee (the "Committee"). The Committee's mandate includes making recommendations on the appointment of the external auditor for the Funds, reviewing the external audit plan; reviewing BCI's System and Organization Controls Report for the Investment System of British Columbia Investment Management Corporation, and reviewing the annual audited financial statements of the Funds. The Committee reviews the recommendations of the internal and external auditors with respect to internal controls and the responses of management to those recommendations, and also meets with management and the internal and external auditors to review annual audit plans.

BCI maintains systems of internal control and supporting processes to provide reasonable assurance that assets are safeguarded; that transactions are appropriately authorized and recorded; and that there are no material misstatements in the financial statements. BCI's internal control framework includes: a strong corporate governance structure; a code of conduct that includes conflict of interest guidelines; an organizational structure that provides for appropriate segregation of duties and accountability for performance; an enterprise-wide risk management framework that identifies, monitors and reports on key risks; and Board-approved Fund Policies and client-approved investment mandates. BCI's investment system is supported by an independent service auditor who tests the design and operating effectiveness of controls around the investment system and reports directly to the Audit Committee.

BCI's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and BCI management. KPMG LLP discusses with management and the Committee the results of their audit of the Funds' financial statements and related findings with respect to such audits. Each of the Fund financial statements is audited by KPMG LLP in accordance with Canadian generally accepted auditing standards. KPMG LLP has performed such tests and other procedures as they considered necessary to express an opinion on the Fund financial statements.

***[S] Gordon J. Fyfe***

Gordon J. Fyfe

Chief Executive Officer / Chief Investment Officer

***[S] Rechelle Effendy***

Rechelle Effendy

Senior Vice President, Finance & CFO



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## INDEPENDENT AUDITOR'S REPORT

To the unitholders of the following Fixed Income - Pooled Investment Portfolios

Canadian Money Market Fund ST1  
Canadian Money Market Fund ST2  
U.S. Dollar Money Market Fund ST3  
U.S. Dollar Money Market Fund ST4  
CDOR 2 Floating Rate Fund  
CDOR 4 Floating Rate Fund  
CORRA 1 Floating Rate Fund  
SOFR 1 Floating Rate Fund  
  
Short Term Bond Fund  
Corporate Bond Fund  
The Funding Program  
Government Bond Fund  
  
(collectively, the "Funds")

### ***Opinion***

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2025
- the statements of comprehensive income (loss) for the year then ended
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").



In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2025, and their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards.

### ***Basis for Opinion***

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of the Manager and Those Charged with Governance for the Financial Statements***

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds' abilities to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' abilities to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada

April 13, 2026

**CANADIAN MONEY MARKET FUND ST1****Statement of Financial Position**

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest receivable		\$ 1,138	\$ 1,111
Investments		2,224,654	3,752,335
Total assets		2,225,792	3,753,446
<b>Liabilities</b>			
BCI cost recoveries payable	4	7	6
Other accounts payable		96	84
		103	90
<b>Net assets attributable to holders of redeemable units</b>			
		\$ 2,225,689	\$ 3,753,356
Number of redeemable units outstanding	5	491,075	851,149
<b>Net assets attributable to holders of redeemable units per unit</b>			
		\$ 4,532	\$ 4,410

**[S] Gordon J. Fyfe**


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 Gordon J. Fyfe  
 Chief Executive Officer  
 Chief Investment Officer

**CANADIAN MONEY MARKET FUND ST1****Statement of Comprehensive Income**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 85,924	\$ 143,620
Other income		4	13
Change in fair value of investments:			
Net change in unrealized gain		1	7
<b>Total revenue</b>		<b>85,929</b>	<b>143,640</b>
<b>Expenses</b>			
BCI cost recoveries	4	86	83
Administrative fees		225	132
<b>Total operating expenses</b>		<b>311</b>	<b>215</b>
Increase in net assets attributable to holders of redeemable units before distributions		85,618	143,425
Distributions to holders of redeemable units		(85,618)	(143,418)
<b>Increase in net assets attributable to holders of redeemable units</b>		<b>\$ —</b>	<b>\$ 7</b>

**CANADIAN MONEY MARKET FUND ST1****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 3,753,356	\$ 2,679,051
Increase in net assets attributable to holders of redeemable units	—	7
Redeemable unit transactions:		
Proceeds from units issued	63,720,870	67,484,464
Reinvestment of distributions	85,618	143,418
Amounts paid for units redeemed	(65,334,155)	(66,553,584)
Net increase (decrease) from redeemable unit transactions	(1,527,667)	1,074,298
<b>Balance, end of year</b>	<b>\$ 2,225,689</b>	<b>\$ 3,753,356</b>

## CANADIAN MONEY MARKET FUND ST1

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase in net assets attributable to holders of redeemable units	\$ —	\$ 7
Adjustments for:		
Interest income	(85,924)	(143,620)
Net change in unrealized gain of investments	(1)	(7)
Amortization of premiums and discounts	(2,233)	(9,259)
Distributions to holders of redeemable units	85,618	143,418
BCI cost recoveries payable	1	(1)
Other accounts payable	12	(41)
Interest received	85,897	144,116
Net sale (purchase) of investments	1,529,915	(1,065,493)
	1,613,285	(930,880)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	63,720,870	67,484,464
Payments on redemption of redeemable units	(65,334,155)	(66,553,584)
	(1,613,285)	930,880
<b>Cash, beginning and end of year</b>	<b>\$ —</b>	<b>\$ —</b>

**CANADIAN MONEY MARKET FUND ST1****Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Money Market Investments</b>				
Municipal Government	\$ 52,031	\$ 52,032	\$ 213,468	\$ 213,477
<b>Investment Related Receivables</b>				
Securities purchased under reverse repurchase agreements	2,172,623	2,172,620	3,338,729	3,338,719
Securities purchased under reverse repurchase agreements - related party (note 4)	—	—	200,138	200,138
	2,172,623	2,172,620	3,538,867	3,538,857
<b>Total Investments</b>	<b>\$ 2,224,654</b>	<b>\$ 2,224,652</b>	<b>\$ 3,752,335</b>	<b>\$ 3,752,334</b>

## CANADIAN MONEY MARKET FUND ST1

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Canadian Money Market Fund ST1 (the "Fund") invests in very short-term reverse repurchase agreements, and debt securities that are issued, insured, or guaranteed by the Canadian federal, provincial, or municipal government. The investment objective of the Fund is to minimize market risk and maximize liquidity. The Fund's benchmark is the Canadian Overnight Repo Rate Average ("CORRA").

The Fund can hold the following securities:

- fixed income securities which are issued, insured or guaranteed by the Government of Canada, a provincial or municipal government;
- repurchase agreement investments secured by fixed income securities which are issued, insured, or guaranteed by the Government of Canada, a Canadian provincial government, or a government-owned and AAA rated Canadian public sector asset manager;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- fully hedged US dollar denominated securities that meet investment guideline criteria.

The following restrictions apply to the Fund:

- the maximum term to maturity of the securities is 45 days;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

#### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

MONEY MARKET INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
A	52,031	100.0	213,468	100.0
<b>Total</b>	<b>\$ 52,031</b>	<b>100.0 %</b>	<b>\$ 213,468</b>	<b>100.0 %</b>

The Fund's other financial assets are not exposed to significant credit risk.

## CANADIAN MONEY MARKET FUND ST1

### Collateral Pledged and Received

Credit risk relating to reverse repurchase agreements is considered low due to the amount and quality of collateral, guaranteed by the Government of Canada, a Canadian provincial government, or a government-owned and AAA rated Canadian public sector asset manager, as well as high counterparty credit ratings. As at December 31, the Fund invested in securities purchased under reverse repurchase agreements with the following counterparty credit ratings:

REVERSE REPURCHASE INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 969,527	44.6 %	\$ 511,537	14.5 %
A	1,203,096	55.4	2,449,967	69.2
BBB	—	0.0	577,363	16.3
<b>Total</b>	<b>\$ 2,172,623</b>	<b>100.0 %</b>	<b>\$ 3,538,867</b>	<b>100.0 %</b>

### Liquidity Risk

The Fund's liabilities are due within three months of the year-end of the Fund.

### Interest Rate Risk

As at December 31, the Fund invested in fixed income instruments with terms to maturity within 45 days (2024 - 45 days), and a weighted average effective yield of 2.3% (2024 - 3.3%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$323 (2024 - \$590), representing 0.0% of the Fund's net assets (2024 - 0.0%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

### Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in Canadian dollars.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

#### *Investments by geographic region*

All of the Fund's investments are exposed to the Canadian market.

## CANADIAN MONEY MARKET FUND ST1

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Money market investments	\$ —	\$ 52,031	\$ 52,031	\$ —	\$ 213,468	\$ 213,468
Securities purchased under reverse repurchase agreements	—	2,172,623	2,172,623	—	3,538,867	3,538,867
<b>Total</b>	<b>\$ —</b>	<b>\$ 2,224,654</b>	<b>\$ 2,224,654</b>	<b>\$ —</b>	<b>\$ 3,752,335</b>	<b>\$ 3,752,335</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

## CANADIAN MONEY MARKET FUND ST2

### Statement of Financial Position

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash		\$ 550,000	\$ —
Interest receivable		1,427	6,981
Investments		1,687,375	3,438,588
Total assets		2,238,802	3,445,569
<b>Liabilities</b>			
BCI cost recoveries payable	4	15	19
Other accounts payable		36	40
		51	59
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 2,238,751</b>	<b>\$ 3,445,510</b>
Number of redeemable units outstanding	5	453.648	719.449
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 4,935</b>	<b>\$ 4,789</b>

**[S] Gordon J. Fyfe**

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Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**CANADIAN MONEY MARKET FUND ST2****Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 73,111	\$ 127,243
Securities lending income		—	3
Other income		5	17
Change in fair value of investments:			
Net realized gain		5,755	4,141
Net change in unrealized gain (loss)		(4,363)	3,951
<b>Total revenue</b>		<b>74,508</b>	<b>135,355</b>
<b>Expenses</b>			
BCI cost recoveries	4	215	248
Administrative fees		51	—
<b>Total operating expenses</b>		<b>266</b>	<b>248</b>
Increase in net assets attributable to holders of redeemable units before distributions		74,242	135,107
Distributions to holders of redeemable units		(78,606)	(131,156)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ (4,364)</b>	<b>\$ 3,951</b>

**CANADIAN MONEY MARKET FUND ST2****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 3,445,510	\$ 2,537,360
Increase (decrease) in net assets attributable to holders of redeemable units	(4,364)	3,951
Redeemable unit transactions:		
Proceeds from units issued	6,246,563	6,678,100
Reinvestment of distributions	78,606	131,156
Amounts paid for units redeemed	(7,527,564)	(5,905,057)
Net increase (decrease) from redeemable unit transactions	(1,202,395)	904,199
<b>Balance, end of year</b>	<b>\$ 2,238,751</b>	<b>\$ 3,445,510</b>

## CANADIAN MONEY MARKET FUND ST2

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (4,364)	\$ 3,951
Adjustments for:		
Interest income	(73,111)	(127,243)
Net realized gain from investments	(5,755)	(4,141)
Net change in unrealized (gain) loss of investments	4,363	(3,951)
Amortization of premiums and discounts	(40,316)	(90,102)
Distributions to holders of redeemable units	78,606	131,156
BCI cost recoveries payable	(4)	(2)
Other accounts payable	(4)	(43)
Interest received	78,665	123,387
Net sale (purchase) of investments	1,792,921	(806,055)
	1,831,001	(773,043)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	6,246,563	6,795,900
Payments on redemption of redeemable units	(7,527,564)	(6,022,857)
	(1,281,001)	773,043
Net increase in cash	550,000	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ 550,000</b>	<b>\$ —</b>

## CANADIAN MONEY MARKET FUND ST2

### Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds</b>				
Federal Government	\$ —	\$ —	\$ 466,449	\$ 465,949
Provincial Government	—	—	98,193	98,039
Corporate	—	—	387,634	386,691
<b>Money Market Investments</b>				
Federal Government	695,555	695,871	957,301	954,838
Municipal Government	—	—	91,547	91,535
Corporate	458,643	458,568	478,848	478,797
	1,154,198	1,154,439	1,527,696	1,525,170
<b>Investment Related Receivables</b>				
Securities purchased under reverse repurchase agreements	533,177	533,173	760,088	760,085
Securities purchased under reverse repurchase agreements - related party (note 4)	—	—	198,528	198,528
	533,177	533,173	958,616	958,613
<b>Total Investments</b>	<b>\$ 1,687,375</b>	<b>\$ 1,687,612</b>	<b>\$ 3,438,588</b>	<b>\$ 3,434,462</b>

## CANADIAN MONEY MARKET FUND ST2

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Canadian Money Market Fund ST2 (the "Fund") invests primarily in high quality Canadian government and corporate debt securities. The investment objective of the Fund is to exceed the return of the benchmark, the FTSE Canada 91 Day T-Bill Index, net of all investment expenses incurred.

The Fund can hold the following securities:

- fixed income securities that are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government, or Canadian government-related entities;
- Canadian dollar denominated fixed income securities issued, insured or guaranteed by a sovereign government;
- Canadian dollar denominated fixed income securities which are issued, insured, or guaranteed by supranational entities including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, or the Inter-American Development bank;
- corporate bonds, issued in Canadian dollars;
- corporate commercial paper, issued in Canadian dollars;
- interest-bearing money market investments such as term deposits;
- asset-backed securities, issued in Canadian dollars;
- unrated Canadian dollar denominated corporate paper (i.e., debt issued by credit unions), up to 1% of the Fund's assets;
- repurchase agreement investments secured by fixed income securities of approved issuers;
- derivative instruments for the purpose of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- fully hedged US dollar denominated securities that meet investment guideline criteria.

The following restrictions apply to the Fund:

- the maximum term to maturity is 15 months, unless it is a callable bond which has a high probability of being called within 15 months;
- not more than 15 percent of the market value of the Fund can be invested in the securities of one corporation;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- corporate money market investments, and government money market securities not issued or guaranteed by the Government of Canada or a Canadian provincial or municipal government or the Government of the United States, must be rated A-1 or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- corporate bonds, and government bonds that are not issued or guaranteed by the Government of Canada or a Canadian provincial or municipal government or the Government of the United States, must be rated A- or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## CANADIAN MONEY MARKET FUND ST2

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ —	— %	\$ 644,552	26.0 %
A	1,154,198	100.0	1,602,752	64.6
BBB	—	—	232,668	9.4
<b>Total</b>	<b>\$ 1,154,198</b>	<b>100.0 %</b>	<b>\$ 2,479,972</b>	<b>100.0 %</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

Credit risk relating to reverse repurchase agreements is considered low due to the amount and quality of collateral, as well as high counterparty credit ratings. As at December 31, the Fund invested in securities purchased under reverse repurchase agreements with the following issuer credit ratings:

REVERSE REPURCHASE INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 474,538	89.0 %	\$ 837,051	87.3 %
A	58,639	11.0	—	0.0
BBB	—	0.0	121,565	12.7
<b>Total</b>	<b>\$ 533,177</b>	<b>100.0 %</b>	<b>\$ 958,616</b>	<b>100.0 %</b>

### Liquidity Risk

The Fund's liabilities are due within three months of the year-end of the Fund.

### Interest Rate Risk

As at December 31, the Fund invested in fixed income instruments with an effective term to maturity within 11 months (2024 - 11 months), and a weighted average effective yield of 2.3% (2024 - 3.5%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$5,906 (2024 - \$8,748), representing 0.3% of the Fund's net assets (2024 - 0.3%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

### Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in Canadian dollars.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

### *Investments by geographic region*

All of the Fund's investments are exposed to the Canadian market.

## CANADIAN MONEY MARKET FUND ST2

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Money market investments	\$ —	\$ 1,154,198	\$ 1,154,198	\$ —	\$ 1,527,696	\$ 1,527,696
Bonds	—	—	—	—	952,276	952,276
Securities purchased under reverse repurchase agreements	—	533,177	533,177	—	958,616	958,616
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,687,375</b>	<b>\$ 1,687,375</b>	<b>\$ —</b>	<b>\$ 3,438,588</b>	<b>\$ 3,438,588</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

## U.S. DOLLAR MONEY MARKET FUND ST3

### Statement of Financial Position

(Expressed in thousands of U.S. dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest receivable		\$ 436	\$ 60
Derivative assets:			
Forwards		—	1,312
Investments		1,903,664	551,874
Total assets		1,904,100	553,246
<b>Liabilities</b>			
BCI cost recoveries payable	4	5	5
Other accounts payable		37	46
Derivative liabilities:			
Forwards		637	—
		679	51
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 1,903,421</b>	<b>\$ 553,195</b>
Number of redeemable units outstanding	5	702.921	213.413
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 2,708</b>	<b>\$ 2,592</b>

**[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

## U.S. DOLLAR MONEY MARKET FUND ST3

### Statement of Comprehensive Income

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

Revenue	NOTES	2025	2024
Interest income		\$ 58,059	\$ 86,511
Other income		20	8
Foreign exchange gain (loss)		2,318	(6,899)
Change in fair value of investments and derivatives:			
Net realized gain		2,236	8,681
Net change in unrealized gain		598	9
<b>Total revenue</b>		<b>63,231</b>	<b>88,310</b>
<b>Expenses</b>			
BCI cost recoveries	4	61	60
Administrative fees		50	48
<b>Total operating expenses</b>		<b>111</b>	<b>108</b>
Increase in net assets attributable to holders of redeemable units before distributions		63,120	88,202
Distributions to holders of redeemable units		(62,521)	(88,193)
<b>Increase in net assets attributable to holders of redeemable units</b>		<b>\$ 599</b>	<b>\$ 9</b>

**U.S. DOLLAR MONEY MARKET FUND ST3****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 553,195	\$ 2,152,940
Increase in net assets attributable to holders of redeemable units	599	9
Redeemable unit transactions:		
Proceeds from units issued	23,580,586	23,142,685
Reinvestment of distributions	62,521	88,193
Amounts paid for units redeemed	(22,293,480)	(24,830,632)
Net increase (decrease) from redeemable unit transactions	1,349,627	(1,599,754)
<b>Balance, end of year</b>	<b>\$ 1,903,421</b>	<b>\$ 553,195</b>

## U.S. DOLLAR MONEY MARKET FUND ST3

### Statement of Cash Flows

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase in net assets attributable to holders of redeemable units	\$ 599	\$ 9
Adjustments for:		
Foreign exchange (gain) loss	(2,318)	6,899
Interest income	(58,059)	(86,511)
Net realized gain from investments and derivatives	(2,236)	(8,681)
Net change in unrealized gain of investments and derivatives	(598)	(9)
Amortization of premiums and discounts	(11,236)	(12,671)
Distributions to holders of redeemable units	62,521	88,193
Other accounts payable	(9)	(46)
Interest received	57,683	87,420
Net sale (purchase) of investments and derivatives	(1,335,771)	1,620,243
	(1,289,424)	1,694,846
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	23,580,586	23,142,685
Payments on redemption of redeemable units	(22,293,480)	(24,830,632)
	1,287,106	(1,687,947)
Net increase (decrease) in cash	(2,318)	6,899
Effect of exchange rate changes on cash	2,318	(6,899)
<b>Cash, beginning and end of year</b>	<b>\$ —</b>	<b>\$ —</b>

## U.S. DOLLAR MONEY MARKET FUND ST3

### Schedule of Investments

(Expressed in thousands of U.S. dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Money Market Investments</b>				
Provincial Government	\$ —	\$ —	\$ 27,785	\$ 28,377
Municipal Government	116,983	116,229	—	—
Corporate	134,623	134,146	144,077	144,773
	251,606	250,375	171,862	173,150
<b>Investment Related Receivables</b>				
Securities purchased under reverse repurchase agreements	1,556,552	1,556,525	380,012	380,009
Securities purchased under reverse repurchase agreements - related party (note 4)	95,506	95,502	—	—
	1,652,058	1,652,027	380,012	380,009
<b>Total Investments</b>	\$ 1,903,664	\$ 1,902,402	\$ 551,874	\$ 553,159

## U.S. DOLLAR MONEY MARKET FUND ST3

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of U.S. dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Currency derivatives</b>						
<b>OTC</b>						
Forwards	\$ 151,203	\$ —	\$ (637)	\$ 69,827	\$ 1,312	\$ —
<b>Total</b>	<b>\$ 151,203</b>	<b>\$ —</b>	<b>\$ (637)</b>	<b>\$ 69,827</b>	<b>\$ 1,312</b>	<b>\$ —</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 151,203	\$ 69,827
<b>Total</b>	<b>\$ 151,203</b>	<b>\$ 69,827</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

## U.S. DOLLAR MONEY MARKET FUND ST3

### Financial Risk Management Discussion

(Expressed in thousands of U.S. dollars)

The U.S. Dollar Money Market Fund ST3 (the "Fund") invests primarily in short term government and corporate debt securities, including reverse repurchase agreements, and term deposits. The Fund's benchmark is the Secured Overnight Financing Rate ("SOFR").

The Fund can hold the following securities:

- US dollar denominated fixed income securities which are issued or guaranteed by the Government of Canada, a Canadian provincial or municipal government, Canadian government-related entities, or the Government of the United States;
- corporate money market securities, issued in US dollars;
- asset backed securities, issued in US dollars;
- interest-bearing money market investments such as term deposits, that meet investment guideline criteria;
- repurchase agreement investments secured by fixed income securities which are issued or guaranteed by the United States Government;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- fully hedged Canadian-dollar denominated securities that meet investment guideline criteria.

The following restrictions apply to the Fund:

- corporate money market investments, and government money market securities not issued or guaranteed by the Government of Canada or a Canadian provincial or municipal government or the Government of the United States must be rated A-1 (Low) or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- corporate bonds, and government bonds that are not issued or guaranteed by the Government of Canada or a Canadian provincial or municipal government or the Government of the United States, must be rated "A-" or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- the maximum term to maturity of any one security is 45 days;
- not more than 15 percent of the market value of the Fund can be invested in the securities of one corporation;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## U.S. DOLLAR MONEY MARKET FUND ST3

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

MONEY MARKET INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ —	— %	\$ 28,434	16.5 %
A	251,606	100.0	143,428	83.5
<b>Total</b>	<b>\$ 251,606</b>	<b>100.0 %</b>	<b>\$ 171,862</b>	<b>100.0 %</b>

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
Derivative Assets		Derivative Liabilities	Derivative Assets		Derivative Liabilities	
AAA/AA	\$ 116,961	\$ —	\$ (206)	\$ —	\$ —	\$ —
A	34,242	—	(431)	69,827	1,312	—
<b>Total Derivatives</b>	<b>\$ 151,203</b>	<b>\$ —</b>	<b>\$ (637)</b>	<b>\$ 69,827</b>	<b>\$ 1,312</b>	<b>\$ —</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

Credit risk relating to reverse repurchase agreements is considered low due to the amount and quality of collateral, as well as high counterparty credit ratings. As at December 31, the Fund invested in securities purchased under reverse repurchase agreements with the following issuer credit ratings:

REVERSE REPURCHASE INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 1,197,819	72.5 %	\$ 100,001	26.3 %
A	302,000	18.3	280,011	73.7
Not rated	152,239	9.2	—	0.0
<b>Total</b>	<b>\$ 1,652,058</b>	<b>100.0 %</b>	<b>\$ 380,012</b>	<b>100.0 %</b>

### Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ —	\$ —	\$ —	\$ —	\$ —
Derivative liabilities	(637)	(637)	—	—	(637)
	<b>\$ (637)</b>	<b>\$ (637)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (637)</b>

## U.S. DOLLAR MONEY MARKET FUND ST3

2024					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 1,312	\$ 1,312	\$ —	\$ —	1,312
Derivative liabilities	—	—	—	—	—
	<b>\$ 1,312</b>	<b>\$ 1,312</b>	<b>\$ —</b>	<b>\$ —</b>	<b>1,312</b>

### Interest Rate Risk

As at December 31, the Fund invested in fixed income instruments with terms to maturity within 45 days (2024 - 45 days), and a weighted average effective yield of 3.7% (2024 - 4.2%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$190 (2024 - \$55), representing 0.0% of the Fund's net assets (2024 - 0.0%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

### Currency Risk

As at December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in United States dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

2025					
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets	
Canadian Dollar	\$ 151,606	\$ (151,743)	\$ (137)	0.0 %	
<b>Net Foreign Exchange Exposure</b>	<b>\$ 151,606</b>	<b>\$ (151,743)</b>	<b>\$ (137)</b>	<b>0.0 %</b>	

2024					
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets	
Canadian Dollar	\$ 68,428	\$ (68,489)	\$ (61)	0.0 %	
<b>Net Foreign Exchange Exposure</b>	<b>\$ 68,428</b>	<b>\$ (68,489)</b>	<b>\$ (61)</b>	<b>0.0 %</b>	

As at December 31, 2025, if the U.S. dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$(1) (2024 - \$ \$(1)), representing 0.0% (2024 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

#### *Investments by geographic region*

The Fund's investments are exposed to the Canadian market, as all of the investments are U.S. dollar denominated instruments issued by Canadian governments and corporations.

## U.S. DOLLAR MONEY MARKET FUND ST3

### Fair Value Measurement Discussion

(Expressed in thousands of U.S. dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Money market investments	\$ —	\$ 251,606	\$ 251,606	\$ —	\$ 171,862	\$ 171,862
Securities purchased under reverse repurchase agreements	—	1,652,058	1,652,058	—	380,012	380,012
Total investments	—	1,903,664	1,903,664	—	551,874	551,874
Forwards, net	—	(637)	(637)	—	1,312	1,312
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,903,027</b>	<b>\$ 1,903,027</b>	<b>\$ —</b>	<b>\$ 553,186</b>	<b>\$ 553,186</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

## U.S. DOLLAR MONEY MARKET FUND ST4

### Statement of Financial Position

(Expressed in thousands of U.S. dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash		\$ 182,382	\$ —
Interest receivable		415	9
Derivative assets:			
Forwards		50	14,856
Investments		1,435,808	1,147,038
Total assets		1,618,655	1,161,903
<b>Liabilities</b>			
BCI cost recoveries payable	4	5	5
Other accounts payable		18	16
Derivative liabilities:			
Forwards		8,390	32
		8,413	53
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 1,610,242</b>	<b>\$ 1,161,850</b>
Number of redeemable units outstanding	5	1,363,748	1,029,242
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1,181</b>	<b>\$ 1,129</b>

**[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**U.S. DOLLAR MONEY MARKET FUND ST4****Statement of Comprehensive Income (Loss)**

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 41,651	\$ 40,232
Securities lending income		583	588
Other income		15	—
Foreign exchange gain		89	254
Change in fair value of investments and derivatives:			
Net realized gain		13,658	3,778
Net change in unrealized gain (loss)		(1,144)	134
<b>Total revenue</b>		<b>54,852</b>	<b>44,986</b>
<b>Expenses</b>			
BCI cost recoveries	4	61	60
Administrative fees		18	22
<b>Total operating expenses</b>		<b>79</b>	<b>82</b>
Increase in net assets attributable to holders of redeemable units before distributions		54,773	44,904
Distributions to holders of redeemable units		(55,917)	(44,770)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ (1,144)</b>	<b>\$ 134</b>

**U.S. DOLLAR MONEY MARKET FUND ST4****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 1,161,850	\$ 669,032
Increase (decrease) in net assets attributable to holders of redeemable units	(1,144)	134
Redeemable unit transactions:		
Proceeds from units issued	964,979	705,864
Reinvestment of distributions	55,917	44,770
Amounts paid for units redeemed	(571,360)	(257,950)
Net increase from redeemable unit transactions	449,536	492,684
<b>Balance, end of year</b>	<b>\$ 1,610,242</b>	<b>\$ 1,161,850</b>

## U.S. DOLLAR MONEY MARKET FUND ST4

### Statement of Cash Flows

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (1,144)	\$ 134
Adjustments for:		
Foreign exchange gain	(89)	(254)
Interest income	(41,651)	(40,232)
Net realized gain from investments and derivatives	(13,658)	(3,778)
Net change in unrealized (gain) loss of investments and derivatives	1,144	(134)
Amortization of premiums and discounts	(37,101)	(39,049)
Distributions to holders of redeemable units	55,917	44,770
Other accounts payable	2	(4)
Interest received	41,245	40,224
Net purchase of investments and derivatives	(215,991)	(449,845)
	(211,326)	(448,168)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	964,979	705,864
Payments on redemption of redeemable units	(571,360)	(257,950)
	393,619	447,914
Net increase (decrease) in cash	182,293	(254)
Effect of exchange rate changes on cash	89	254
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ 182,382</b>	<b>\$ —</b>

**U.S. DOLLAR MONEY MARKET FUND ST4****Schedule of Investments**

(Expressed in thousands of U.S. dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Money Market Investments</b>				
Federal Government	\$ 427,468	\$ 427,011	\$ 669,612	\$ 669,594
Provincial Government	26,066	25,973	19,118	20,108
Municipal Government	304,934	301,787	244,210	252,989
Corporate	335,573	331,721	144,641	149,363
	1,094,041	1,086,492	1,077,581	1,092,054
<b>Investment Related Receivables</b>				
Securities purchased under reverse repurchase agreements	341,767	341,768	69,457	69,456
<b>Total Investments</b>	<b>\$ 1,435,808</b>	<b>\$ 1,428,260</b>	<b>\$ 1,147,038</b>	<b>\$ 1,161,510</b>

## U.S. DOLLAR MONEY MARKET FUND ST4

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of U.S. dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Currency derivatives</b>						
<b>OTC</b>						
Forwards	\$ 842,401	\$ 50	\$ (8,390)	\$ 424,023	\$ 14,856	\$ (32)
<b>Total</b>	<b>\$ 842,401</b>	<b>\$ 50</b>	<b>\$ (8,390)</b>	<b>\$ 424,023</b>	<b>\$ 14,856</b>	<b>\$ (32)</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 842,401	\$ 424,023
<b>Total</b>	<b>\$ 842,401</b>	<b>\$ 424,023</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

## U.S. DOLLAR MONEY MARKET FUND ST4

### Financial Risk Management Discussion

(Expressed in thousands of U.S. dollars)

The U.S. Dollar Money Market Fund ST4 (the "Fund") invests in high quality government and corporate debt securities, primarily denominated in US dollars. The Fund's benchmark is the ICE BofA US 3-Month Treasury Bill Index.

The Fund can hold the following securities:

- US dollar denominated securities which are issued, insured, or guaranteed by the Government of Canada or a provincial or municipal government, Canadian government-related entities, or the Government of the United States;
- US dollar denominated fixed income securities which are issued or guaranteed by a sovereign or supranational entity including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank and the Inter-American Development Bank;
- corporate bonds, issued in US dollars;
- corporate money market securities, issued in US dollars;
- interest-bearing money market investments such as term deposits, in US dollars;
- asset-backed securities issued in US dollars;
- repurchase agreement investments secured by fixed income securities which are issued or guaranteed by the United States Government;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- fully hedged non-US dollar denominated investments that meet investment guideline criteria.

The following restrictions apply to the Fund:

- the maximum term to maturity is 15 months, unless it is a callable bond which has a high probability of being called within 15 months;
- not more than 15 percent of the market value of the Fund can be invested in the securities of one corporation;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- providers and issuers of corporate money market investments, and government money market securities not issued or guaranteed by the Government of Canada or a Canadian provincial or municipal government or the Government of the United States, must be rated A-1 or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- corporate bonds, and government bonds that are not issued or guaranteed by the Government of Canada or a Canadian provincial or municipal government or the Government of the United States, must be rated A- or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## U.S. DOLLAR MONEY MARKET FUND ST4

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

MONEY MARKET INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 14,584	1.3 %	\$ 357,464	33.2 %
A	1,079,457	98.7	720,117	66.8
<b>Total</b>	<b>\$ 1,094,041</b>	<b>100.0 %</b>	<b>\$ 1,077,581</b>	<b>100.0 %</b>

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 323,974	\$ 2	\$ (3,832)	\$ 140,445	\$ 5,860	\$ —
A	518,427	48	(4,558)	283,578	8,996	(32)
<b>Total Derivatives</b>	<b>\$ 842,401</b>	<b>\$ 50</b>	<b>\$ (8,390)</b>	<b>\$ 424,023</b>	<b>\$ 14,856</b>	<b>\$ (32)</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

Credit risk relating to reverse repurchase agreements is considered low due to the amount and quality of collateral, as well as high counterparty credit ratings. As at December 31, the Fund invested in securities purchased under reverse repurchase agreements with the following issuer credit ratings:

REVERSE REPURCHASE INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 341,767	100.0 %	\$ 69,457	100.0 %
<b>Total</b>	<b>\$ 341,767</b>	<b>100.0 %</b>	<b>\$ 69,457</b>	<b>100.0 %</b>

### Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	
Derivative assets	\$ 50	\$ 50	\$ —	\$ —	50
Derivative liabilities	(8,390)	(8,390)	—	—	(8,390)
	<b>\$ (8,340)</b>	<b>\$ (8,340)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>(8,340)</b>

## U.S. DOLLAR MONEY MARKET FUND ST4

2024					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 14,856	\$ 14,856	\$ —	\$ —	14,856
Derivative liabilities	(32)	(32)	—	—	(32)
	<b>\$ 14,824</b>	<b>\$ 14,824</b>	<b>\$ —</b>	<b>\$ —</b>	<b>14,824</b>

### Interest Rate Risk

As at December 31, the Fund invested in fixed income instruments with terms to maturity within 11 months (2024 - 11 months), and a weighted average effective yield of 3.0% (2024 - 3.9%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$4,020 (2024 - \$2,753) representing 0.2% of the Fund's net assets (2024 - 0.2%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

### Currency Risk

As at December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in United States dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

2025					
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets	
Canadian Dollar	\$ 849,336	\$ (849,895)	(559)	— %	
<b>Net Foreign Exchange Exposure</b>	<b>\$ 849,336</b>	<b>\$ (849,895)</b>	<b>(559)</b>	<b>— %</b>	

2024					
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets	
Canadian Dollar	\$ 407,968	\$ (408,827)	(859)	(0.1)%	
<b>Net Foreign Exchange Exposure</b>	<b>\$ 407,968</b>	<b>\$ (408,827)</b>	<b>(859)</b>	<b>(0.1)%</b>	

As at December 31, 2025, if the U.S. dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$(6) (2024 - \$(9)), representing 0.0% (2024 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

## U.S. DOLLAR MONEY MARKET FUND ST4

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

#### *Investments by geographic region*

As at December 31, the Fund's money market investments are concentrated in the following geographical regions:

GEOGRAPHIC REGION	2025		2024	
	Total	% of Total	Total	% of Total
Canada	\$ 666,572	60.9 %	\$ 407,968	37.9 %
United States	427,469	39.1	669,613	62.1
<b>Total</b>	<b>\$ 1,094,041</b>	<b>100.0 %</b>	<b>\$ 1,077,581</b>	<b>100.0 %</b>

## U.S. DOLLAR MONEY MARKET FUND ST4

### Fair Value Measurement Discussion

(Expressed in thousands of U.S. dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Money market investments	\$ —	\$ 1,094,041	\$ 1,094,041	\$ —	\$ 1,077,581	\$ 1,077,581
Securities purchased under reverse repurchase agreements	—	341,767	341,767	—	69,457	69,457
Total investments	—	1,435,808	1,435,808	—	1,147,038	1,147,038
Forwards, net	—	(8,340)	(8,340)	—	14,824	14,824
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,427,468</b>	<b>\$ 1,427,468</b>	<b>\$ —</b>	<b>\$ 1,161,862</b>	<b>\$ 1,161,862</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

## CDOR 2 FLOATING RATE FUND

### Statement of Financial Position

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Derivative assets:			
Swaps		\$ 3,608	\$ 7,748
Investments		2,017,594	2,335,701
Total assets		2,021,202	2,343,449
<b>Liabilities</b>			
Payable for redemption of units		457,034	360,522
Other accounts payable		27	17
Derivative liabilities:			
Swaps		3,577	7,246
		460,638	367,785
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 1,560,564</b>	<b>\$ 1,975,664</b>
Number of redeemable units outstanding	5	1,209.504	1,589.630
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1,290</b>	<b>\$ 1,243</b>

**[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**CDOR 2 FLOATING RATE FUND****Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income	\$	111,758	\$ 99,183
Dividend income		3,447	130,112
Securities lending income		19	243
Foreign exchange gain		—	3
Change in fair value of investments and derivatives:			
Net realized gain (loss)		3,127	(90,332)
Net change in unrealized gain (loss)		(2,568)	30,429
<b>Total revenue</b>		<b>115,783</b>	<b>169,638</b>
<b>Expenses</b>			
Administrative fees		38	12
<b>Total operating expenses</b>		<b>38</b>	<b>12</b>
Increase in net assets attributable to holders of redeemable units before distributions		115,745	169,626
Distributions to holders of redeemable units		(111,702)	(218,884)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>4,043</b>	<b>\$ (49,258)</b>

**CDOR 2 FLOATING RATE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 1,975,664	\$ 2,167,845
Increase (decrease) in net assets attributable to holders of redeemable units	4,043	(49,258)
Redeemable unit transactions:		
Proceeds from units issued	7,807,800	7,307,756
Reinvestment of distributions	111,702	218,884
Amounts paid for units redeemed	(8,338,645)	(7,669,563)
Net decrease from redeemable unit transactions	(419,143)	(142,923)
<b>Balance, end of year</b>	<b>\$ 1,560,564</b>	<b>\$ 1,975,664</b>

**CDOR 2 FLOATING RATE FUND****Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,043	\$ (49,258)
Adjustments for:		
Foreign exchange gain	—	(3)
Interest income	(111,758)	(99,183)
Dividend income	(3,447)	(130,112)
Net realized (gain) loss from investments and derivatives	(3,127)	90,332
Net change in unrealized (gain) loss of investments and derivatives	2,568	(30,429)
Amortization of premiums and discounts	—	(2)
Distributions to holders of redeemable units	111,702	218,884
Other receivables	—	520
Other accounts payable	10	(6,310)
Interest received	111,758	99,183
Dividends received	3,447	136,289
Net sale of investments and derivatives	319,137	604,936
	<b>434,333</b>	<b>834,847</b>
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	7,807,800	7,307,756
Payments on redemption of redeemable units	(8,242,133)	(8,142,606)
	<b>(434,333)</b>	<b>(834,850)</b>
Net decrease in cash	—	(3)
Effect of exchange rate changes on cash	—	3
<b>Cash, beginning and end of year</b>	<b>\$ —</b>	<b>\$ —</b>

**CDOR 2 FLOATING RATE FUND****Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Equity Investments</b>				
Publicly Traded	\$ —	\$ —	\$ 493,278	\$ 495,280
<b>Money Market Investments</b>				
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	95	94	123	123
U.S. Dollar Money Market Fund ST3	43	44	7	8
	138	138	130	131
<b>Internal Financing Transactions (note 4)</b>				
Loans to Infrastructure & Renewable Resources program	1,079,466	1,074,177	910,964	903,520
Loans to Private Equity program	912,859	908,606	906,150	900,000
Loans to QuadReal-managed entities	25,131	25,000	25,179	25,000
	2,017,456	2,007,783	1,842,293	1,828,520
<b>Total Investments</b>	<b>\$ 2,017,594</b>	<b>\$ 2,007,921</b>	<b>\$ 2,335,701</b>	<b>\$ 2,323,931</b>

**CDOR 2 FLOATING RATE FUND****Schedule of Derivative Assets and Liabilities**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Equity derivatives</b>						
<b>OTC</b>						
Swaps	\$ —	\$ 3,608	\$ (3,577)	\$ 493,330	\$ 7,748	\$ (7,246)
<b>Total</b>	<b>\$ —</b>	<b>\$ 3,608</b>	<b>\$ (3,577)</b>	<b>\$ 493,330</b>	<b>\$ 7,748</b>	<b>\$ (7,246)</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ —	\$ 493,330
<b>Total</b>	<b>\$ —</b>	<b>\$ 493,330</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

## CDOR 2 FLOATING RATE FUND

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The CDOR 2 Floating Rate Fund (the "Fund") allows participating BCI pooled Funds to earn a floating rate return that is linked to the benchmark reference rate, the Canadian Overnight Repo Rate Average (CORRA). Ownership of the Fund is limited to BCI pooled funds and BCI clients through segregated investment accounts. The functional currency of the Fund is Canadian dollars.

The Fund can hold the following securities:

- government and corporate fixed income securities;
- money market investments;
- repurchase agreement investments secured by fixed income securities of approved issuers;
- publicly traded common stock, common stock equivalents or exchange traded funds of companies whose country is included in the Morgan Stanley Capital International All Country World Constituent Index, paired with derivative instruments;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- agreements to finance other BCI Funds, portfolios and accounts; and
- units in the BCI Canadian and/or US Dollar Short Term (money market) Funds and other BCI short-term fixed income pooled funds for cash, currency hedging, and collateral management purposes.

The following restrictions apply to the Fund:

- fixed income investments are limited to issuers or entities with a minimum long-term credit rating of BBB- by Standard & Poor's, or short-term rating of A-1 (Low), or have an equivalent credit rating from another credit rating agency;
- maximum term to maturity of a security is 5 years unless it is a callable bond which has a high probability of being called within 5 years;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have the discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## CDOR 2 FLOATING RATE FUND

### Credit Risk

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ —	\$ 3,608	\$ (3,577)	\$ 493,330	\$ 7,748	\$ (7,246)
<b>Total Derivatives</b>	<b>\$ —</b>	<b>\$ 3,608</b>	<b>\$ (3,577)</b>	<b>\$ 493,330</b>	<b>\$ 7,748</b>	<b>\$ (7,246)</b>

The Fund's loans were made to related parties as described in note 4. Due to the private nature of the loans, they are not subject to rating by a rating agency. The maximum credit risk exposure is \$2,017,456 (2024 - \$1,842,293).

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

BCI is party to derivative contracts that involve pledging and holding collateral, as outlined in Note 8 (b). Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The following table illustrates the fair value of such collateral:

COLLATERAL	2025	2024
Collateral received	\$ 73	\$ 502

### Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 3,608	\$ 3,608	\$ —	\$ —	\$ 3,608
Derivative liabilities	(3,577)	(3,577)	—	—	(3,577)
	<b>\$ 31</b>	<b>\$ 31</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 31</b>

  

	2024				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 7,748	\$ 7,748	\$ —	\$ —	\$ 7,748
Derivative liabilities	(7,246)	(7,246)	—	—	(7,246)
	<b>\$ 502</b>	<b>\$ 502</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 502</b>

## CDOR 2 FLOATING RATE FUND

### **Interest Rate Risk**

As at December 31, the Fund held no fixed income instruments. The current strategy of the Fund is to invest in internal financing transactions with related parties at a floating rate of return linked to CORRA. As a result, the Fund is not exposed to significant fair value interest rate risk.

### **Currency Risk**

The Fund is not exposed to significant currency risk since the majority of the Fund's assets and liabilities are denominated in Canadian dollars and amounts denominated in other currencies are considered nominal.

### **Other Price Risk**

The Fund's financial assets and liabilities are not exposed to significant other price risk.

## CDOR 2 FLOATING RATE FUND

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Public equities	\$ —	\$ —	\$ —	493,278	\$ —	493,278
Internal financing transactions	\$ —	\$ 2,017,456	\$ 2,017,456	\$ —	\$ 1,842,293	\$ 1,842,293
	—	2,017,456	2,017,456	493,278	1,842,293	2,335,571
<b>Investments in structured entities</b>						
BCI Money market funds	—	138	138	—	130	130
	—	138	138	—	130	130
Total investments	—	2,017,594	2,017,594	493,278	1,842,423	2,335,701
Swaps, net	—	31	31	—	502	502
<b>Total</b>	<b>\$ —</b>	<b>\$ 2,017,625</b>	<b>\$ 2,017,625</b>	<b>\$ 493,278</b>	<b>\$ 1,842,925</b>	<b>\$ 2,336,203</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

**CDOR 4 FLOATING RATE FUND****Statement of Financial Position**

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest receivable		\$ 10,950	\$ 4,217
Investments		1,517,948	1,696,029
<b>Total assets</b>		<b>1,528,898</b>	<b>1,700,246</b>
<b>Liabilities</b>			
Other accounts payable		52	24
Derivative liabilities:			
Swaps		1,087	18,789
		1,139	18,813
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 1,527,759</b>	<b>\$ 1,681,433</b>
Number of redeemable units outstanding	5	1,297.648	1,471.305
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1,177</b>	<b>\$ 1,143</b>

**[S] Gordon J. Fyfe**


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Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**CDOR 4 FLOATING RATE FUND****Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 39,809	\$ 68,509
Securities lending income		430	332
Change in fair value of investments and derivatives:			
Net realized gain (loss)		(10,531)	4,630
Net change in unrealized gain (loss)		7,286	(466)
<b>Total revenue</b>		<b>36,994</b>	<b>73,005</b>
<b>Expenses</b>			
BCI cost recoveries	4	2	15
Administrative fees		37	25
Commissions and stock exchange fees		13	—
<b>Total operating expenses</b>		<b>52</b>	<b>40</b>
Increase in net assets attributable to holders of redeemable units before distributions		36,942	72,965
Distributions to holders of redeemable units		(40,200)	(73,485)
<b>Decrease in net assets attributable to holders of redeemable units</b>		<b>\$ (3,258)</b>	<b>\$ (520)</b>

**CDOR 4 FLOATING RATE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 1,681,433	\$ 916,280
Decrease in net assets attributable to holders of redeemable units	(3,258)	(520)
Redeemable unit transactions:		
Proceeds from units issued	3,580,400	3,120,432
Reinvestment of distributions	40,200	73,485
Amounts paid for units redeemed	(3,771,016)	(2,428,244)
Net increase (decrease) from redeemable unit transactions	(150,416)	765,673
<b>Balance, end of year</b>	<b>\$ 1,527,759</b>	<b>\$ 1,681,433</b>

**CDOR 4 FLOATING RATE FUND****Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Decrease in net assets attributable to holders of redeemable units	\$ (3,258)	\$ (520)
Adjustments for:		
Interest income	(39,809)	(68,509)
Net realized (gain) loss from investments and derivatives	10,531	(4,630)
Net change in unrealized (gain) loss of investments and derivatives	(7,286)	466
Amortization of premiums and discounts	(8,632)	(36,116)
Distributions to holders of redeemable units	40,200	73,485
Other accounts payable	28	—
Interest received	33,076	65,988
Net sale (purchase) of investments and derivatives	165,766	(722,352)
	190,616	(692,188)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	3,580,400	3,120,432
Payments on redemption of redeemable units	(3,771,016)	(2,428,244)
	(190,616)	692,188
<b>Cash, beginning and end of year</b>	<b>\$ —</b>	<b>\$ —</b>

**CDOR 4 FLOATING RATE FUND****Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds</b>				
Federal Government	\$ 1,387,760	\$ 1,385,932	\$ 1,016,640	\$ 1,006,867
Provincial Government	—	—	480,528	474,627
	1,387,760	1,385,932	1,497,168	1,481,494
<b>Money Market Investments</b>				
Federal Government	—	—	88,491	87,999
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	130,188	130,188	110,370	110,370
	130,188	130,188	198,861	198,369
<b>Total Investments</b>	<b>\$ 1,517,948</b>	<b>\$ 1,516,120</b>	<b>\$ 1,696,029</b>	<b>\$ 1,679,863</b>

**CDOR 4 FLOATING RATE FUND****Schedule of Derivative Assets and Liabilities**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Interest rate derivatives</b>						
<b>Listed</b>						
Futures <sup>(c)</sup>	\$ 677,750	\$ —	\$ —	\$ 38,750	\$ —	\$ —
<b>OTC</b>						
Swaps	227,000	—	(1,087)	1,420,000	—	(18,789)
<b>Total</b>	<b>\$ 904,750</b>	<b>\$ —</b>	<b>\$ (1,087)</b>	<b>\$ 1,458,750</b>	<b>\$ —</b>	<b>\$ (18,789)</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 904,750	\$ 996,750
1 to 2 years	—	347,000
Over 2 years	—	115,000
<b>Total</b>	<b>\$ 904,750</b>	<b>\$ 1,458,750</b>

- (a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.
- (b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.
- (c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position and in realized gains and losses on the Statement of Comprehensive Income.

## CDOR 4 FLOATING RATE FUND

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The CDOR 4 Floating Rate Fund (the "Fund") allows participating BCI pooled Funds to earn a floating rate return that is linked to the benchmark reference rate, the Canadian Overnight Repo Rate Average (CORRA). Ownership of the Fund is limited to BCI pooled funds and BCI clients through segregated investment accounts. The functional currency of the Fund is Canadian dollars.

The Fund can hold the following securities:

- government and corporate fixed income securities;
- money market investments;
- repurchase agreement investments secured by fixed income securities of approved issuers;
- publicly traded common stock, common stock equivalents or exchange traded funds of companies whose country is included in the Morgan Stanley Capital International All Country World Constituent Index, paired with derivative instruments;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- agreements to finance other BCI Funds, portfolios and accounts; and
- units in the BCI Canadian and/or US Dollar Short Term (money market) Funds and other BCI short-term fixed income pooled funds for cash, currency hedging, and collateral management purposes.

The following restrictions apply to the Fund:

- fixed income investments are limited to issuers or entities with a minimum long-term credit rating of BBB- by Standard & Poor's, or short-term rating of A-1 (Low), or have an equivalent credit rating from another credit rating agency;
- maximum term to maturity of a security is 5 years unless it is a callable bond which has a high probability of being called within 5 years;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have the discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## CDOR 4 FLOATING RATE FUND

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 1,387,760	100.0 %	\$ 1,497,168	94.4 %
A	—	—	88,491	5.6
<b>Total</b>	<b>\$ 1,387,760</b>	<b>100.0 %</b>	<b>\$ 1,585,659</b>	<b>100.0 %</b>

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 50,000	\$ —	\$ (88)	\$ 320,000	\$ —	\$ (2,803)
A	177,000	—	(999)	1,100,000	—	(15,986)
<b>Total Derivatives</b>	<b>\$ 227,000</b>	<b>\$ —</b>	<b>\$ (1,087)</b>	<b>\$ 1,420,000</b>	<b>\$ —</b>	<b>\$ (18,789)</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

BCI is party to derivative contracts that involve pledging and holding collateral, as outlined in Note 8 (b). Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The following table illustrates the fair value of such collateral:

COLLATERAL	2025	2024
Collateral pledged	\$ 1,275	\$ 650

### Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	
Derivative assets	\$ —	\$ —	\$ —	\$ —	—
Derivative liabilities	(1,087)	(1,087)	—	—	(1,087)
	<b>\$ (1,087)</b>	<b>\$ (1,087)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>(1,087)</b>

	2024				Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	
Derivative assets	\$ —	\$ —	\$ —	\$ —	—
Derivative liabilities	(18,789)	(6,738)	(8,900)	(3,151)	(18,789)
	<b>\$ (18,789)</b>	<b>\$ (6,738)</b>	<b>\$ (8,900)</b>	<b>\$ (3,151)</b>	<b>(18,789)</b>

## CDOR 4 FLOATING RATE FUND

### Interest Rate Risk

The Fund is not exposed to significant fair value interest rate risk as the securities held within the Fund are floating rate instruments or fixed rate instruments whose cash flows have been swapped for a floating rate cash flow through an interest rate derivative.

BONDS BY MATURITY DATE	2025		2024	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 1,387,760	2.3 %	\$ 1,021,240	3.1 %
1 to 2 years	—	—	360,301	3.0
2 to 5 years	—	—	115,627	3.0
<b>Total Bonds</b>	<b>\$ 1,387,760</b>	<b>2.3 %</b>	<b>\$ 1,497,168</b>	<b>3.1 %</b>

As at December 31, 2025, the Fund held no money market investments except for units in BCI Money Market Funds. As at December 31, 2024, the Fund invested in money market investments with terms to maturity within 1 year, and a weighted average effective yield of 3.1%.

### Currency Risk

The Fund is not exposed to significant currency risk since the majority of the Fund's assets and liabilities are denominated in Canadian dollars and amounts denominated in other currencies are considered nominal.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

#### *Investments by geographic region*

All of the Fund's investments are exposed to the Canadian market.

## CDOR 4 FLOATING RATE FUND

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Money market investments	—	—	—	—	88,491	88,491
Bonds	—	1,387,760	1,387,760	—	1,497,168	1,497,168
	—	1,387,760	1,387,760	—	1,585,659	1,585,659
<b>Investments in structured entities</b>						
BCI Money market funds	\$ —	\$ 130,188	130,188	\$ —	\$ 110,370	110,370
	—	130,188	130,188	—	110,370	110,370
Total investments	—	1,517,948	1,517,948	—	1,696,029	1,696,029
Swaps, net	—	(1,087)	(1,087)	—	(18,789)	(18,789)
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,516,861</b>	<b>\$ 1,516,861</b>	<b>\$ —</b>	<b>\$ 1,677,240</b>	<b>\$ 1,677,240</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 5.8% (2024 - 2.9%) of the net assets of Investee money market funds administered by BCI

## CORRA 1 FLOATING RATE FUND

### Statement of Financial Position

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash		\$ 700,000	\$ 1
Receivable from sale of investments		457,034	60,522
Interest receivable		41,051	19,490
Derivative assets:			
Swaps		2,018	2,152
Investments		10,411,162	4,169,604
<b>Total assets</b>		<b>11,611,265</b>	<b>4,251,769</b>
<b>Liabilities</b>			
Other accounts payable		84	66
Derivative liabilities:			
Swaps		65,776	63,806
		65,860	63,872
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 11,545,405</b>	<b>\$ 4,187,897</b>
Number of redeemable units outstanding	5	10,372.545	3,893.168
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1,113</b>	<b>\$ 1,076</b>

**[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**CORRA 1 FLOATING RATE FUND****Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 331,215	\$ 354,051
Dividend income		2,782	72,979
Securities lending income		5,287	5,243
Other income		—	808
Foreign exchange gain		557	748
Change in fair value of investments and derivatives:			
Net realized gain (loss)		(23,482)	6,116
Net change in unrealized gain (loss)		46,086	(1,457)
<b>Total revenue</b>		<b>362,445</b>	<b>438,488</b>
<b>Expenses</b>			
BCI cost recoveries	4	5	649
Administrative fees		75	110
Commissions and stock exchange fees		29	11
Other expenses		8	—
<b>Total operating expenses</b>		<b>117</b>	<b>770</b>
Increase in net assets attributable to holders of redeemable units before distributions		362,328	437,718
Distributions to holders of redeemable units		(339,753)	(440,474)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ 22,575</b>	<b>\$ (2,756)</b>

**CORRA 1 FLOATING RATE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024.

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 4,187,897	\$ 7,255,281
Increase (decrease) in net assets attributable to holders of redeemable units	22,575	(2,756)
Redeemable unit transactions:		
Proceeds from units issued	74,414,266	36,569,211
Reinvestment of distributions	339,753	440,474
Amounts paid for units redeemed	(67,419,086)	(40,074,313)
Net increase (decrease) from redeemable unit transactions	7,334,933	(3,064,628)
<b>Balance, end of year</b>	<b>\$ 11,545,405</b>	<b>\$ 4,187,897</b>

## CORRA 1 FLOATING RATE FUND

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 22,575	\$ (2,756)
Adjustments for:		
Foreign exchange gain	(557)	(748)
Interest income	(331,215)	(354,051)
Dividend income	(2,782)	(72,979)
Net realized (gain) loss from investments and derivatives	23,482	(6,116)
Net change in unrealized (gain) loss of investments and derivatives	(46,086)	1,457
Amortization of premiums and discounts	12,216	(99,849)
Distributions to holders of redeemable units	339,753	440,474
Other receivables	—	1
BCI cost recoveries payable	—	(49)
Other accounts payable	18	9
Interest received	309,654	359,579
Dividends received	2,782	72,979
Net sale (purchase) of investments and derivatives	(6,625,578)	3,166,381
	(6,295,738)	3,504,332
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	74,414,266	36,569,211
Payments on redemption of redeemable units	(67,419,086)	(40,074,313)
	6,995,180	(3,505,102)
Net increase (decrease) in cash	699,442	(770)
Effect of exchange rate changes on cash	557	748
Cash, beginning of year	1	23
<b>Cash, end of year</b>	<b>\$ 700,000</b>	<b>\$ 1</b>

**CORRA 1 FLOATING RATE FUND****Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds</b>				
Federal Government	\$ 4,012,278	\$ 3,999,277	\$ 1,679,940	\$ 1,660,266
Provincial Government	1,871,651	1,856,923	754,899	740,752
Mortgage-Backed Securities	1,534,984	1,513,168	—	—
Corporate	1,540,429	1,528,504	1,230,200	1,199,726
	8,959,342	8,897,872	3,665,039	3,600,744
<b>Money Market Investments</b>				
Corporate	—	—	125,000	125,000
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	81,447	81,446	52,464	52,464
U.S. Dollar Money Market Fund ST3	44	58	190	203
	81,491	81,504	177,654	177,667
<b>Floating Rate Funds</b>				
Units in BCI Pooled Investment Portfolio				
CDOR 2 Floating Rate Fund	1,370,329	1,370,342	326,911	330,085
<b>Total Investments</b>	<b>\$ 10,411,162</b>	<b>\$ 10,349,718</b>	<b>\$ 4,169,604</b>	<b>\$ 4,108,496</b>

## CORRA 1 FLOATING RATE FUND

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Currency derivatives</b>						
<b>OTC</b>						
Swaps	\$ 125,941	\$ —	\$ (5,546)	\$ 157,744	\$ —	\$ (8,987)
<b>Interest rate derivatives</b>						
<b>Listed</b>						
Futures <sup>(c)</sup>	999,000	—	—	—	—	—
<b>OTC</b>						
Swaps	5,775,000	2,018	(60,230)	2,996,500	2,152	(54,819)
<b>Total</b>	<b>\$ 6,899,941</b>	<b>\$ 2,018</b>	<b>\$ (65,776)</b>	<b>\$ 3,154,244</b>	<b>\$ 2,152</b>	<b>\$ (63,806)</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 3,452,941	\$ 819,528
1 to 2 years	2,878,500	977,216
Over 2 years	568,500	1,357,500
<b>Total</b>	<b>\$ 6,899,941</b>	<b>\$ 3,154,244</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

(c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position and in realized gains and losses on the Statement of Comprehensive Income.

## CORRA 1 FLOATING RATE FUND

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The CORRA 1 Floating Rate Fund (the "Fund") allows participating BCI pooled Funds to earn a floating rate return that is linked to the benchmark reference rate, the Canadian Overnight Repo Rate Average (CORRA). Ownership of the Fund is limited to BCI pooled funds and BCI clients through segregated investment accounts. The functional currency of the Fund is Canadian dollars.

The Fund can hold the following securities:

- government and corporate fixed income securities;
- money market investments;
- repurchase agreement investments secured by fixed income securities of approved issuers;
- publicly traded common stock, common stock equivalents or exchange traded funds of companies whose country is included in the Morgan Stanley Capital International All Country World Constituent Index, paired with derivative instruments;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- agreements to finance other BCI Funds, portfolios and accounts; and
- units in the BCI Canadian and/or US Dollar Short Term (money market) Funds and other BCI short-term fixed income pooled funds for cash, currency hedging, and collateral management purposes.

The following restrictions apply to the Fund:

- fixed income investments are limited to issuers or entities with a minimum long-term credit rating of BBB- by Standard & Poor's, or short-term rating of A-1 (Low), or have an equivalent credit rating from another credit rating agency;
- maximum term to maturity of a security is 5 years unless it is a callable bond which has a high probability of being called within 5 years;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have the discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## CORRA 1 FLOATING RATE FUND

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 7,312,074	81.6 %	\$ 2,843,707	75.0 %
A	1,596,074	17.8	946,332	25.0
BBB	51,194	0.6	—	—
<b>Total</b>	<b>\$ 8,959,342</b>	<b>100.0 %</b>	<b>\$ 3,790,039</b>	<b>100.0 %</b>

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 1,650,000	\$ 111	\$ (21,704)	\$ 1,039,000	\$ —	\$ (16,849)
A	4,250,941	1,907	(44,072)	2,115,244	2,152	(46,957)
<b>Total Derivatives</b>	<b>\$ 5,900,941</b>	<b>\$ 2,018</b>	<b>\$ (65,776)</b>	<b>\$ 3,154,244</b>	<b>\$ 2,152</b>	<b>\$ (63,806)</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

BCI is party to derivative contracts that involve pledging and holding collateral, as outlined in Note 8 (b). Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. At BCI, the financial assets in the floating rate funds are used as pledged collateral for BCI as a whole. The following table illustrates the fair value of such collateral:

COLLATERAL	2025	2024
Collateral pledged	\$ 93,863	\$ 25,439

### Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 2,018	\$ 521	\$ 543	\$ 954	\$ 2,018
Derivative liabilities	(65,776)	(26,830)	(36,614)	(2,332)	(65,776)
	<b>\$ (63,758)</b>	<b>\$ (26,309)</b>	<b>\$ (36,071)</b>	<b>\$ (1,378)</b>	<b>\$ (63,758)</b>

## CORRA 1 FLOATING RATE FUND

	2024				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 2,152	\$ —	\$ 2,152	\$ —	2,152
Derivative liabilities	(63,806)	(9,173)	(27,667)	(26,966)	(63,806)
	<b>\$ (61,654)</b>	<b>\$ (9,173)</b>	<b>\$ (25,515)</b>	<b>\$ (26,966)</b>	<b>(61,654)</b>

### Interest Rate Risk

The current strategy of the Fund is to invest largely in fixed income securities and enter into derivative contracts whereby the fixed interest rate returns of the fixed income securities are swapped for a floating rate of return linked to CORRA. Therefore, the Fund is generally not exposed to fair value interest rate risk from the fixed income securities held within the Fund.

BONDS BY MATURITY DATE	2025		2024	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 3,576,919	2.4 %	\$ 1,013,623	3.3 %
1 to 2 years	3,221,784	2.7	1,202,302	3.4
2 to 5 years	2,160,639	2.9	1,449,114	3.1
<b>Total Bonds</b>	<b>\$ 8,959,342</b>	<b>2.6 %</b>	<b>\$ 3,665,039</b>	<b>3.3 %</b>

As at December 31, 2025, the Fund held no money market investments except for units in BCI Money Market Funds. As at December 31, 2024, the Fund invested in money market investments with terms to maturity within 1 year, and a weighted average effective yield of 4.5%.

### Currency Risk

As at December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

	2025			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets
British Pound Sterling	\$ 43,504	\$ (43,696)	(192)	0.0 %
United States Dollar	83,105	(82,245)	860	0.0 %
<b>Net Foreign Exchange Exposure</b>	<b>\$ 126,609</b>	<b>\$ (125,941)</b>	<b>668</b>	<b>0.0 %</b>
	2024			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets
British Pound Sterling	\$ 41,249	\$ (42,688)	(1,439)	0.0 %
United States Dollar	116,610	(115,056)	1,554	0.0 %
<b>Net Foreign Exchange Exposure</b>	<b>\$ 157,859</b>	<b>\$ (157,744)</b>	<b>115</b>	<b>0.0 %</b>

As at December 31, 2025, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$7 (2024 - \$1), representing 0.0% (2024 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

**CORRA 1 FLOATING RATE FUND***Investments by geographic region*

As at December 31, the Fund's bond and money market investments are concentrated in the following geographical regions:

GEOGRAPHIC REGION	2025		2024	
	Total	% of Total	Total	% of Total
Canada	\$ 8,882,695	99.1 %	\$ 3,501,669	92.4 %
United States	76,647	0.9	288,370	7.6
<b>Total</b>	<b>\$ 8,959,342</b>	<b>100.0 %</b>	<b>\$ 3,790,039</b>	<b>100.0 %</b>

## CORRA 1 FLOATING RATE FUND

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Money market investments	\$ —	\$ —	\$ —	\$ —	\$ 125,000	\$ 125,000
Bonds	82,746	8,876,596	8,959,342	57,615	3,607,424	3,665,039
	82,746	8,876,596	8,959,342	57,615	3,732,424	3,790,039
<b>Investments in structured entities</b>						
BCI Money market funds	—	81,491	81,491	—	52,654	52,654
BCI Floating rate funds	—	1,370,329	1,370,329	—	326,911	326,911
	—	1,451,820	1,451,820	—	379,565	379,565
Total investments	82,746	10,328,416	10,411,162	57,615	4,111,989	4,169,604
Swaps, net	—	(63,758)	(63,758)	—	(61,654)	(61,654)
<b>Total</b>	<b>\$ 82,746</b>	<b>\$ 10,264,658</b>	<b>\$ 10,347,404</b>	<b>\$ 57,615</b>	<b>\$ 4,050,335</b>	<b>\$ 4,107,950</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025, quoted prices in active markets became available for certain bond investments due to changes in market conditions. Therefore, these securities, with an amount of \$58,067 (2024 - \$52,783) were transferred from Level 2 to Level 1.

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 1.7% (2024 - 1.2%) of the net assets of Investee money market funds administered by BCI
- 87.8% (2024 - 16.5%) of the net assets of Investee floating rate funds administered by BCI

## SOFR 1 FLOATING RATE FUND

### Statement of Financial Position

(Expressed in thousands of U.S. dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash	\$	45	\$ —
Interest receivable		1,173	—
Derivative assets:			
Swaps		66	—
Investments		489,450	—
<b>Total assets</b>		<b>490,734</b>	<b>—</b>
<b>Liabilities</b>			
Other accounts payable		16	—
Derivative liabilities:			
Swaps		627	—
Forwards		1,034	—
		1,677	—
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>489,057</b>	<b>\$ —</b>
Number of redeemable units outstanding	5	466,534	—
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$</b>	<b>1,048</b>	<b>\$ —</b>

**[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**SOFR 1 FLOATING RATE FUND****Statement of Comprehensive Income (Loss)**

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income	\$	12,859	\$ 548
Dividend income		101	—
Securities lending income		—	2
Other income		109	—
Foreign exchange loss		(533)	—
Change in fair value of investments and derivatives:			
Net realized gain		7,616	38
Net change in unrealized loss		(2,464)	—
<b>Total revenue</b>		<b>17,688</b>	<b>588</b>
<b>Expenses</b>			
BCI cost recoveries	4	1	—
Administrative fees		21	—
Commissions and stock exchange fees		2	—
<b>Total operating expenses</b>		<b>24</b>	<b>—</b>
Increase in net assets attributable to holders of redeemable units before distributions		17,664	588
Distributions to holders of redeemable units		(20,130)	—
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>(2,466)</b>	<b>\$ 588</b>

**SOFR 1 FLOATING RATE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ —	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units	(2,466)	588
Redeemable unit transactions:		
Proceeds from units issued	1,138,402	40,387
Reinvestment of distributions	20,130	—
Amounts paid for units redeemed	(667,009)	(40,975)
Net increase (decrease) from redeemable unit transactions	491,523	(588)
<b>Balance, end of year</b>	<b>\$ 489,057</b>	<b>\$ —</b>

## SOFR 1 FLOATING RATE FUND

### Statement of Cash Flows

(Expressed in thousands of U.S. dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (2,466) \$	588
Adjustments for:		
Foreign exchange loss	533	—
Interest income	(12,859)	(548)
Dividend income	(101)	—
Net realized gain from investments and derivatives	(7,616)	(38)
Net change in unrealized loss of investments and derivatives	2,464	—
Distributions to holders of redeemable units	20,130	—
Other accounts payable	16	—
Interest received	11,686	548
Dividends received	101	—
Net sale (purchase) of investments and derivatives	(482,703)	38
	(470,815)	588
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	1,138,402	40,387
Payments on redemption of redeemable units	(667,009)	(40,975)
	471,393	(588)
Net increase in cash	578	—
Effect of exchange rate changes on cash	(533)	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ 45 \$</b>	<b>—</b>

**SOFR 1 FLOATING RATE FUND****Schedule of Investments**

(Expressed in thousands of U.S. dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Equity Investments</b>				
Publicly Traded	\$ 67,509	\$ 69,884	\$ —	\$ —
<b>Bonds</b>				
Federal Government	83,634	82,880	—	—
Corporate	160,397	159,508	—	—
	244,031	242,388	—	—
<b>Money Market Investments</b>				
Corporate	18,954	18,582	—	—
Units in BCI Pooled Investment Portfolio				
U.S. Dollar Money Market Fund ST3	20,174	21,691	—	—
	39,128	40,273		
<b>Floating Rate Funds</b>				
Units in BCI Pooled Investment Portfolio				
CDOR 2 Floating Rate Fund	138,782	137,774	—	—
<b>Total Investments</b>	<b>\$ 489,450</b>	<b>\$ 490,319</b>	<b>\$ —</b>	<b>\$ —</b>

## SOFR 1 FLOATING RATE FUND

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of U.S. dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Equity derivatives</b>						
<b>OTC</b>						
Swaps	67,343	66	—	—	—	—
<b>Currency derivatives</b>						
<b>OTC</b>						
Forwards	102,128	—	(1,034)	—	—	—
Swaps	\$ 137,931	\$ —	\$ (627)	\$ —	\$ —	\$ —
<b>Interest rate derivatives</b>						
<b>Listed</b>						
Futures <sup>(c)</sup>	17,000	—	—	—	—	—
<b>Total</b>	<b>\$ 324,402</b>	<b>\$ 66</b>	<b>\$ (1,661)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 324,402	\$ —
<b>Total</b>	<b>\$ 324,402</b>	<b>\$ —</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

(c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position and in realized gains and losses on the Statement of Comprehensive Income.

## SOFR 1 FLOATING RATE FUND

### Financial Risk Management Discussion

(Expressed in thousands of U.S. dollars)

The SOFR 1 Floating Rate Fund (the "Fund") allows participating BCI pooled Funds to earn a floating rate return that is linked to the benchmark reference rate, the US Dollar Secured Overnight Financing Rate ("SOFR"). Ownership of the Fund is limited to BCI pooled funds and BCI clients through segregated investment accounts. The functional currency of the Fund is US dollars.

The Fund can hold the following securities:

- government and corporate fixed income securities;
- money market investments;
- repurchase agreement investments secured by fixed income securities of approved issuers;
- publicly traded common stock, common stock equivalents or exchange traded funds of companies whose country is included in the Morgan Stanley Capital International All Country World Constituent Index, paired with derivative instruments;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- agreements to finance other BCI Funds, portfolios and accounts; and
- units in the BCI Canadian and/or US Dollar Short Term (money market) Funds and other BCI short-term fixed income pooled funds for cash, currency hedging, and collateral management purposes.

The following restrictions apply to the Fund:

- fixed income investments are limited to issuers or entities with a minimum long-term credit rating of BBB- by Standard & Poor's, or short-term rating of A-1 (Low), or have an equivalent credit rating from another credit rating agency;
- maximum term to maturity of a security is 5 years unless it is a callable bond which has a high probability of being called within 5 years;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have the discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## SOFR 1 FLOATING RATE FUND

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 103,718	39.4 %	—	— %
A	129,266	49.2	—	—
BBB	30,001	11.4	—	—
<b>Total</b>	<b>\$ 262,985</b>	<b>100.0 %</b>	<b>—</b>	<b>— %</b>

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 92,542	\$ 66	\$ (399)	—	—	—
A	214,860	—	(1,262)	—	—	—
<b>Total Derivatives</b>	<b>\$ 307,402</b>	<b>\$ 66</b>	<b>\$ (1,661)</b>	<b>—</b>	<b>—</b>	<b>—</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

BCI is party to derivative contracts that involve pledging and holding collateral, as outlined in Note 8 (b). Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The following table illustrates the fair value of such collateral:

COLLATERAL	2025	2024
Collateral received	\$ 66	—

### Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 66	\$ 66	—	—	66
Derivative liabilities	(1,661)	(1,661)	—	—	(1,661)
	<b>\$ (1,595)</b>	<b>\$ (1,595)</b>	<b>—</b>	<b>—</b>	<b>(1,595)</b>

  

	2024				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ —	—	—	—	—
Derivative liabilities	—	—	—	—	—
	<b>\$ —</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## SOFR 1 FLOATING RATE FUND

### Interest Rate Risk

The current strategy of the Fund is to invest largely in fixed income securities and enter into derivative contracts whereby the fixed interest rate returns of the fixed income securities are swapped for a floating rate of return linked to SOFR. Therefore, the Fund is generally not exposed to fair value interest rate risk from the fixed income securities held within the Fund.

BONDS BY MATURITY DATE	2025		2024	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 113,637	2.7 %	—	— %
1 to 2 years	22,595	4.1	—	—
2 to 5 years	107,799	4.5	—	—
<b>Total Bonds</b>	<b>\$ 244,031</b>	<b>3.6 %</b>	<b>—</b>	<b>— %</b>

As at December 31, the Fund invested in money market investments with terms to maturity within 1 year and a weighted average effective yield of 2.28% (2024 - 0.0%).

### Currency Risk

As at December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in United States dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

	2025			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets
Canadian Dollar	\$ 241,440	\$ (241,546)	\$ (106)	0.0 %
<b>Net Foreign Exchange Exposure</b>	<b>\$ 241,440</b>	<b>\$ (241,546)</b>	<b>\$ (106)</b>	<b>0.0 %</b>

	2024			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets
Canadian Dollar	\$ —	\$ —	\$ —	0.0 %
<b>Net Foreign Exchange Exposure</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

As at December 31, 2025, if the U.S. dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$(1) (2024 - \$nil), representing 0.0% (2024 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

## SOFR 1 FLOATING RATE FUND

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

#### *Investments by geographic region*

As at December 31, the Fund's money market investments are concentrated in the following geographical regions:

GEOGRAPHIC REGION	2025		2024	
	Total	% of Total	Total	% of Total
Canada	\$ 102,588	31.0 %	\$ —	0.0 %
United States	227,906	69.0	—	0.0
<b>Total</b>	<b>\$ 330,494</b>	<b>100.0 %</b>	<b>\$ —</b>	<b>0.0 %</b>

## SOFR 1 FLOATING RATE FUND

### Fair Value Measurement Discussion

(Expressed in thousands of U.S. dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Public equities	\$ 67,509	\$ —	\$ 67,509	\$ —	\$ —	—
Money market investments	—	18,954	18,954	—	—	—
Bonds	20,084	223,947	244,031	—	—	—
	87,593	242,901	330,494	—	—	—
<b>Investments in structured entities</b>						
BCI Money market funds	—	20,174	20,174	—	—	—
BCI Floating rate funds	—	138,782	138,782	—	—	—
	—	158,956	158,956	—	—	—
Total investments	87,593	401,857	489,450	—	—	—
Swaps, net	—	(561)	(561)	—	—	—
Forwards, net	—	(1,034)	(1,034)	—	—	—
Total derivatives	—	(1,595)	(1,595)	—	—	—
<b>Total</b>	<b>\$ 87,593</b>	<b>\$ 400,262</b>	<b>\$ 487,855</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 and 2024, there were no significant transfers between the three levels in the hierarchy.

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 0.8% (2024 - —%) of the net assets of Investee money market funds administered by BCI
- 8.9% (2024 - —%) of the net assets of Investee floating rate funds administered by BCI

**SHORT TERM BOND FUND****Statement of Financial Position**

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest receivable		\$ 10,722	\$ 12,476
Investments		1,792,412	1,727,765
<b>Total assets</b>		<b>1,803,134</b>	<b>1,740,241</b>
<b>Liabilities</b>			
BCI cost recoveries payable	4	56	49
Other accounts payable		26	19
		82	68
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 1,803,052</b>	<b>\$ 1,740,173</b>
Number of redeemable units outstanding	5	585.031	584.950
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 3,082</b>	<b>\$ 2,975</b>

**[S] Gordon J. Fyfe**


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 Gordon J. Fyfe  
 Chief Executive Officer  
 Chief Investment Officer

## SHORT TERM BOND FUND

### Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

Revenue	NOTES	2025	2024
Interest income		\$ 54,236	\$ 64,433
Securities lending income		516	526
Change in fair value of investments:			
Net realized gain		22,631	16,009
Net change in unrealized gain (loss)		(14,073)	6,154
<b>Total revenue</b>		<b>63,310</b>	<b>87,122</b>
<b>Expenses</b>			
BCI cost recoveries	4	646	621
Administrative fees		35	28
<b>Total operating expenses</b>		<b>681</b>	<b>649</b>
Increase in net assets attributable to holders of redeemable units before distributions		62,629	86,473
Distributions to holders of redeemable units		(54,071)	(64,310)
<b>Increase in net assets attributable to holders of redeemable units</b>		<b>\$ 8,558</b>	<b>\$ 22,163</b>

**SHORT TERM BOND FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 1,740,173	\$ 1,714,201
Increase in net assets attributable to holders of redeemable units	8,558	22,163
Redeemable unit transactions:		
Proceeds from units issued	4,550	500
Reinvestment of distributions	54,071	64,310
Amounts paid for units redeemed	(4,300)	(61,001)
Net increase from redeemable unit transactions	54,321	3,809
<b>Balance, end of year</b>	<b>\$ 1,803,052</b>	<b>\$ 1,740,173</b>

## SHORT TERM BOND FUND

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase in net assets attributable to holders of redeemable units	\$ 8,558	\$ 22,163
Adjustments for:		
Interest income	(54,236)	(64,433)
Net realized gain from investments	(22,631)	(16,009)
Net change in unrealized (gain) loss of investments	14,073	(6,154)
Amortization of premiums and discounts	(3,960)	(13,353)
Distributions to holders of redeemable units	54,071	64,310
BCI cost recoveries payable	7	(4)
Other accounts payable	7	(6)
Interest received	55,990	63,178
Net sale (purchase) of investments	(52,129)	10,809
	(250)	60,501
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	4,550	500
Payments on redemption of redeemable units	(4,300)	(61,001)
	250	(60,501)
<b>Cash, beginning and end of year</b>	<b>\$ —</b>	<b>\$ —</b>

**SHORT TERM BOND FUND****Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds</b>				
Federal Government	\$ 1,212,852	\$ 1,215,782	\$ 1,045,624	\$ 1,040,499
Provincial Government	306,521	305,113	391,723	386,148
Municipal Government	42,145	41,780	98,116	96,077
Mortgage-Backed Securities	215,675	214,150	171,938	170,236
	1,777,193	1,776,825	1,707,401	1,692,960
<b>Money Market Investments</b>				
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	15,219	15,219	20,364	20,364
<b>Total Investments</b>	<b>\$ 1,792,412</b>	<b>\$ 1,792,044</b>	<b>\$ 1,727,765</b>	<b>\$ 1,713,324</b>

## SHORT TERM BOND FUND

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objective of the Short Term Bond Fund (the "Fund") is to exceed the return of the benchmark, the FTSE Canada Short Term Government Bond Index, net of all investment expenses incurred. The portfolio manager seeks to generate excess returns through actively managing the interest rate and government credit exposure of the Fund.

The Fund can hold the following securities:

- fixed income securities which are issued or guaranteed by the Government of Canada, a Canadian provincial or municipal government, or Canadian government-related entities;
- Canadian dollar denominated fixed income securities which are issued or guaranteed by a sovereign government;
- Canadian dollar denominated fixed income securities which are issued, insured, or guaranteed by supranational entities including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, or the Inter-American Development Bank;
- fully hedged US-dollar denominated securities that meet investment guideline criteria;
- units in BCI's Short Term Money Market Fund (ST1) and other BCI Funds that meet the Fund's Investment Policies criteria; and
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management.

The following restrictions apply to the Fund:

- fixed income securities issued by municipalities, Canadian government-related entities, and non-Canadian entities must be rated BBB- or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- the Fund's weighting of securities issued by municipalities and Canadian government-related entities shall not exceed 10 percentage points above the weighting of such securities within the FTSE Canada Short Term Government Bond Index;
- the maximum term to maturity is 5.5 years, unless it is a callable bond which has a high probability of being called within 5.5 years;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction;

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

## SHORT TERM BOND FUND

### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

BONDS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 1,615,636	90.9 %	\$ 1,707,401	100.0 %
A	161,557	9.1	—	—
<b>Total</b>	<b>\$ 1,777,193</b>	<b>100.0 %</b>	<b>\$ 1,707,401</b>	<b>100.0 %</b>

The Fund's other financial assets are not exposed to significant credit risk.

### Liquidity Risk

The Fund's liabilities are due within three months of the year-end of the Fund.

### Interest Rate Risk

As at December 31, the Fund invested in bond instruments with the following terms to maturity and average effective yield:

BONDS BY MATURITY DATE	2025		2024	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 69,058	2.5 %	\$ 47,399	3.2 %
1 to 2 years	315,760	2.6	431,468	3.1
2 to 5 years	1,332,656	2.9	1,206,984	3.1
5 to 10 years	59,719	3.0	21,550	3.0
<b>Total Bonds</b>	<b>\$ 1,777,193</b>	<b>2.8 %</b>	<b>\$ 1,707,401</b>	<b>3.1 %</b>

The duration is to be managed within  $\pm$  20 percent of the benchmark duration, which was 2.8 years as at December 31, 2025 (2024 - 2.7 years). As at December 31, 2025, the Fund's bond investments had an average duration of 2.8 years (2024 - 2.7 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$49,939 (2024 - \$46,100), representing 2.8% of the Fund's net assets (2024 - 2.6%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

### Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in Canadian dollars.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

### *Investments by geographic region*

All of the Fund's investments are exposed to the Canadian market.

## SHORT TERM BOND FUND

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Bonds	\$ 75,211	\$ 1,701,982	\$ 1,777,193	\$ —	\$ 1,707,401	\$ 1,707,401
	75,211	1,701,982	1,777,193	—	1,707,401	1,707,401
<b>Investments in structured entities</b>						
BCI Money market funds	—	15,219	15,219	—	20,364	20,364
	—	15,219	15,219	—	20,364	20,364
<b>Total</b>	<b>\$ 75,211</b>	<b>\$ 1,717,201</b>	<b>\$ 1,792,412</b>	<b>\$ —</b>	<b>\$ 1,727,765</b>	<b>\$ 1,727,765</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025 quoted prices in active markets became available for certain bond investments due to changes in market conditions. Therefore, these securities, with an amount of \$2,291 (2024 - \$nil) were transferred from Level 2 to Level 1.

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 0.7% (2024 - 0.5%) of the net assets of Investee money market funds administered by BCI

## CORPORATE BOND FUND

### Statement of Financial Position

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash		\$ 60,081	\$ 11,831
Receivable from sale of investments		2,122	5,426
Interest receivable		169,457	206,509
Other receivables		633	—
Derivative assets:			
Swaps		8,061	—
Options		503	—
Forwards		197,068	—
Investments		20,530,162	17,630,766
<b>Total assets</b>		<b>20,968,087</b>	<b>17,854,532</b>
<b>Liabilities</b>			
Payable for purchase of investments		28,536	114,886
BCI cost recoveries payable	4	2,184	1,924
Other accounts payable		1,226	1,222
Derivative liabilities:			
Swaps		106	—
Options		350	—
Forwards		13,721	701,557
		46,123	819,589
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 20,921,964</b>	<b>\$ 17,034,943</b>
Number of redeemable units outstanding	5	13,774.534	12,026.257
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1,519</b>	<b>\$ 1,416</b>

**[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**CORPORATE BOND FUND****Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 1,002,700	\$ 1,024,467
Distribution income		115,009	42,887
Securities lending income		11,813	7,842
Other income		5,464	2,018
Foreign exchange gain (loss)		(15,381)	10
Change in fair value of investments and derivatives:			
Net realized gain (loss)		123,264	(26,996)
Net change in unrealized gain (loss)		92,418	(391,026)
<b>Total revenue</b>		<b>1,335,287</b>	<b>659,202</b>
<b>Expenses</b>			
BCI cost recoveries	4	25,507	24,524
Administrative fees		826	668
Commissions and stock exchange fees		597	302
Pursuit costs		31	—
Withholding taxes		6	—
<b>Total operating expenses</b>		<b>26,967</b>	<b>25,494</b>
Increase in net assets attributable to holders of redeemable units before distributions		1,308,320	633,708
Distributions to holders of redeemable units		(1,093,235)	(1,052,032)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ 215,085</b>	<b>\$ (418,324)</b>

**CORPORATE BOND FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 17,034,943	\$ 13,176,200
Increase (decrease) in net assets attributable to holders of redeemable units	215,085	(418,324)
Redeemable unit transactions:		
Proceeds from units issued	3,211,334	3,943,715
Reinvestment of distributions	1,093,235	1,052,032
Amounts paid for units redeemed	(632,633)	(718,680)
Net increase from redeemable unit transactions	3,671,936	4,277,067
<b>Balance, end of year</b>	<b>\$ 20,921,964</b>	<b>\$ 17,034,943</b>

## CORPORATE BOND FUND

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 215,085	\$ (418,324)
Adjustments for:		
Foreign exchange (gain) loss	15,381	(10)
Interest income	(1,002,700)	(1,024,467)
Distribution income	(115,009)	(42,887)
Net realized (gain) loss from investments and derivatives	(123,264)	26,996
Net change in unrealized (gain) loss of investments and derivatives	(92,418)	391,026
Amortization of premiums and discounts	(119,602)	(195,963)
Distributions to holders of redeemable units	1,093,235	1,052,032
Other receivables	(633)	—
BCI cost recoveries payable	260	(177)
Other accounts payable	4	1,148
Interest received	1,039,752	965,866
Distribution received	115,009	42,887
Withholding taxes paid	(6)	—
Withholding taxes	6	—
Net purchase of investments and derivatives	(3,540,170)	(4,029,681)
	(2,515,070)	(3,231,554)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	3,211,334	3,981,515
Payments on redemption of redeemable units	(632,633)	(756,480)
	2,578,701	3,225,035
Net increase (decrease) in cash	63,631	(6,519)
Effect of exchange rate changes on cash	(15,381)	10
Cash, beginning of year	11,831	18,340
<b>Cash, end of year</b>	<b>\$ 60,081</b>	<b>\$ 11,831</b>

## CORPORATE BOND FUND

### Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Equity Investments</b>				
Exchange Traded Funds	\$ 2,383,163	\$ 2,375,722	\$ 565,378	\$ 516,167
<b>Bonds</b>				
Federal Government	3,968,684	4,006,135	3,693,741	3,689,207
Corporate	10,972,515	11,017,496	12,406,706	11,909,274
	14,941,199	15,023,631	16,100,447	15,598,481
<b>Private Debt Investments <sup>1</sup></b>	1,288,391	1,431,338	370,405	356,411
<b>Money Market Investments</b>				
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	307,875	307,874	391,122	391,123
U.S. Dollar Money Market Fund ST3	939,161	973,061	203,414	230,303
	1,247,036	1,280,935	594,536	621,426
<b>Floating Rate Funds</b>				
Units in BCI Pooled Investment Portfolio				
SOFR 1 Floating Rate Fund	670,373	687,712	—	—
<b>Total Investments</b>	<b>\$ 20,530,162</b>	<b>\$ 20,799,338</b>	<b>\$ 17,630,766</b>	<b>\$ 17,092,485</b>

<sup>1</sup> The private debt investments are held through limited partnerships.

## CORPORATE BOND FUND

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Equity derivatives</b>						
<b>OTC</b>						
Swaps	\$ 668,624	\$ 8,061	—	—	—	—
<b>Currency derivatives</b>						
<b>OTC</b>						
Forwards	19,248,234	197,068	(13,721)	15,584,721	—	(701,557)
Options - Purchased	137,075	503	—	—	—	—
Options - Written	137,075	—	(350)	—	—	—
<b>Interest rate derivatives</b>						
<b>Listed</b>						
Futures <sup>(c)</sup>	2,234,688	—	—	613,300	—	—
<b>Credit derivatives</b>						
<b>OTC</b>						
Credit default swaps - Purchased	1,371	—	(106)	—	—	—
<b>Total</b>	<b>\$ 22,427,067</b>	<b>\$ 205,632</b>	<b>\$ (14,177)</b>	<b>\$ 16,198,021</b>	<b>\$ —</b>	<b>\$ (701,557)</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 22,425,696	\$ 16,198,021
Over 2 years	1,371	—
<b>Total</b>	<b>\$ 22,427,067</b>	<b>\$ 16,198,021</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

(c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position and in realized gains and losses on the Statement of Comprehensive Income.

## CORPORATE BOND FUND

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objective of the Corporate Bond Fund (the "Fund") is to provide a diversified portfolio of fixed income securities. The Fund primarily invests in corporate investment grade and high yield securities issued in the United States and Canada. The Fund's benchmarks are the Intercontinental Exchange Bank of America US Corporate Index, (CAD Hedged) and the Intercontinental Exchange Bank of America BB-B US Cash Pay High Yield Constrained Index (CAD Hedged; collectively, "the Indexes"). The objective of the Fund is to exceed the benchmark return of the Fund's Indexes, net of all investment expenses incurred.

The Fund can hold the following securities:

- fixed income securities;
- equity securities;
- exchange traded funds;
- derivatives for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- units in BCI Canadian and/or US Dollar Short Term Money Market Funds, other BCI short-term fixed income Funds, and the Floating Rate Funds.

The following restrictions apply to the Fund:

- no more than 15% of the market value of the Fund can be invested in the securities of one company;
- no more than 70% of the market value of the Fund can be invested in the aggregate of (i) debt securities rated at or below BB+ by Standard & Poor's or an equivalent rating from another credit rating agency, (ii) preferred shares rated at or below P-4 by Standard & Poor's or an equivalent rating from another credit rating agency, and (iii) unrated debt securities;
- no more than 10% of the market value of the Fund can be invested in the aggregate of (i) debt securities rated at or below CCC+ by Standard & Poor's or an equivalent rating from another credit rating agency, and (ii) unrated debt securities;
- no more than 20% of the market value of the Fund can be invested in equity securities (including preferred shares, but excluding fixed income exchange traded funds);
- the Fund may not borrow money or use derivatives to create leverage;
- the Fund may borrow money to satisfy cash flow needs and/or to avoid the untimely sale of assets;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

The Fund holds its private debt investments through a limited partnerships. The limited partnerships holds the following net assets:

	2025		2024	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 11,786	0.9 %	\$ 575	0.2 %
Direct private debt investments	1,262,328	98.0	369,830	99.8
Cash and cash equivalents	14,277	1.1	—	—
<b>Total</b>	<b>\$ 1,288,391</b>	<b>100.0 %</b>	<b>\$ 370,405</b>	<b>100.0 %</b>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of underlying investments held by the Fund have been considered.

## CORPORATE BOND FUND

### Credit Risk

As at December 31, the Fund invested in debt instruments, including direct private debt investments and corporate bonds with the following security or issuer credit ratings:

INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 4,767,528	29.3 %	\$ 3,834,016	23.3 %
A	1,178,465	7.3	2,014,834	12.2
BBB	4,369,872	27.0	4,085,631	24.8
BB	4,433,658	27.4	5,422,123	32.9
B	711,751	4.4	1,113,673	6.8
CCC	25,969	0.2	—	—
Not rated	716,284	4.4	—	—
<b>Total</b>	<b>\$ 16,203,527</b>	<b>100.0 %</b>	<b>\$ 16,470,277</b>	<b>100.0 %</b>

In addition, the Fund is exposed to credit risk through the underlying securities held in exchange traded funds.

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 6,885,651	\$ 65,997	\$ (7,077)	\$ 2,807,022	\$ —	\$ (116,460)
A	13,306,728	139,635	(7,100)	12,777,699	—	(585,097)
<b>Total Derivatives</b>	<b>\$ 20,192,379</b>	<b>\$ 205,632</b>	<b>\$ (14,177)</b>	<b>\$ 15,584,721</b>	<b>\$ —</b>	<b>\$ (701,557)</b>

The Fund may also use derivative financial instruments such as credit default swaps to reduce its total credit risk exposure.

The Fund's other financial assets are not exposed to significant credit risk.

### Collateral Pledged and Received

BCI is party to derivative contracts that involve pledging and holding collateral, as outlined in Note 8 (b). Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The following table illustrates the fair value of such collateral:

COLLATERAL	2025	2024
Collateral received	8,061	—
Collateral pledged	\$ 35,755	\$ 10,100

### Liquidity Risk

The Fund is not exposed to significant liquidity risk through its investment in direct private debt investments. Cash and money market investments provide the Fund with additional liquidity.

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

## CORPORATE BOND FUND

The following were the contractual maturities of derivative financial instruments at December 31:

<b>2025</b>					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 205,632	\$ 205,632	\$ —	\$ —	205,632
Derivative liabilities	(14,177)	(14,071)	—	(106)	(14,177)
	<b>\$ 191,455</b>	<b>\$ 191,561</b>	<b>\$ —</b>	<b>\$ (106)</b>	<b>\$ 191,455</b>

  

<b>2024</b>					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ —	\$ —	\$ —	\$ —	—
Derivative liabilities	(701,557)	(701,557)	—	—	(701,557)
	<b>\$ (701,557)</b>	<b>\$ (701,557)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (701,557)</b>

### Interest Rate Risk

Money market investments, private debt investments and government and corporate bonds are subject to interest rate risk. The Fund has established duration bands based on its relevant benchmark to avoid undue active interest rate risk. Money market funds invest in short-term investments and have low interest rate risk.

The Fund's private debt and government and corporate bond instruments are comprised of variable rate debt instruments and fixed rate debt instruments. As at December 31, the terms to maturity for fixed rate investments, which represents the most significant exposure to interest rate risk were as follows:

<b>2025</b>			
	Government and corporate bonds	Private debt securities	Total
1 to 2 years	\$ 252,437	\$ —	252,437
2 to 5 years	4,098,918	—	4,098,918
5 to 10 years	6,450,525	—	6,450,525
10 to 20 years	682,028	—	682,028
20 to 30 years	1,967,141	230,539	2,197,680
Over 30 years	1,490,150	250,220	1,740,370
<b>Total Bonds</b>	<b>\$ 14,941,199</b>	<b>\$ 480,759</b>	<b>\$ 15,421,958</b>

  

<b>2024</b>			
	Government and corporate bonds	Private debt securities	Total
1 to 2 years	\$ 157,383	\$ —	157,383
2 to 5 years	5,214,293	—	5,214,293
5 to 10 years	7,500,861	—	7,500,861
10 to 20 years	1,109,860	—	1,109,860
20 to 30 years	1,192,517	—	1,192,517
Over 30 years	925,533	—	925,533
<b>Total Bonds</b>	<b>\$ 16,100,447</b>	<b>\$ —</b>	<b>\$ 16,100,447</b>

Money market investments are short-term in nature and have low interest rate risk. Variable rate instruments and certain other debt instruments are not exposed to significant interest rate risk. The following represents investments not subject to significant interest rate risk at:

	<b>2025</b>	<b>2024</b>
Money market investment	\$ 1,247,036	\$ 594,536
Variable rate instruments and other debt instruments not subject to significant interest rate risk	781,569	369,830
<b>Total</b>	<b>\$ 2,028,605</b>	<b>\$ 964,366</b>

## CORPORATE BOND FUND

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$929,343 (2024 - \$932,216), representing 4.4% of the Fund's net assets (2024 - 5.5%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

In addition, the Fund is exposed to interest rate risk through the underlying securities held in exchange traded funds.

### Currency Risk

At December 31, 2025, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

2025						
	Net Investments and Investments-Related Receivables/(Payables)		Net Foreign Currency Contracts Receivables/(Payables)		Net exposure	% of total net asset
United States Dollar	\$	19,213,044	\$	(18,899,160)	\$ 313,884	1.5 %
<b>Net Foreign Exchange Exposure</b>	<b>\$</b>	<b>19,213,044</b>	<b>\$</b>	<b>(18,899,160)</b>	<b>\$ 313,884</b>	<b>1.5 %</b>

2024						
	Net Investment Related Receivables/(Payables)		Net Foreign Currency Contracts Receivables/(Payables)		Net exposure	% of total net asset
United States Dollar	\$	16,215,939	\$	(16,323,570)	\$(107,631)	(0.6) %
<b>Net Foreign Exchange Exposure</b>	<b>\$</b>	<b>16,215,939</b>	<b>\$</b>	<b>(16,323,570)</b>	<b>\$(107,631)</b>	<b>(0.6) %</b>

As at December 31, 2025, if the Canadian dollar had strengthened/weakened by 1% in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$3,163 (2024 - \$(1,076)), representing 0.0% (2024 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

### Other Price Risk

Management monitors the concentration of risk for debt securities based on geographic location and industry.

As at December 31, the Fund's direct private debt investments are concentrated in the following geographical regions:

GEOGRAPHIC REGION	2025		2024	
	Total	% of Total	Total	% of Total
<b>Direct Private Debt Investments</b>				
Canada	\$ 340,478	27.0 %	\$ —	— %
Germany	135,574	10.7	—	—
United Kingdom	2,607	0.2	—	—
United States	\$ 783,669	62.1	\$ 369,830	100.0
<b>Total</b>	<b>\$ 1,262,328</b>	<b>100.0 %</b>	<b>\$ 369,830</b>	<b>100.0 %</b>

As at December 31, the Fund's direct private debt investments are exposed to the following industries:

**CORPORATE BOND FUND**

INDUSTRY SECTOR	2025		2024	
	Total	% of Total	Total	% of Total
<b>Direct Private Debt Investments</b>				
Consumer Discretionary	\$ 103,025	8.1 %	\$ 206,135	55.7 %
Energy	250,220	19.8	—	—
Financials	31,364	2.5	—	—
Health Care	—	—	86,477	23.4
Industrials	517,226	41.0	7,222	2.0
Information Technology	129,954	10.3	51,947	14.0
Materials	—	—	18,049	4.9
Telecommunication Services	230,539	18.3	—	—
<b>Total</b>	<b>\$ 1,262,328</b>	<b>100.0 %</b>	<b>\$ 369,830</b>	<b>100.0 %</b>

The Fund's other financial assets and liabilities are not exposed to significant other price risk since the Fund's other financial assets and liabilities are fixed income instruments.

## CORPORATE BOND FUND

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025				2024			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservab le Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservab le Inputs)	Total
<b>investments</b>								
Cash and Cash Equivalents	\$ —	\$ 14,277	\$ —	\$ 14,277	\$ —	\$ —	\$ —	\$ —
Bonds	12,028,529	2,912,670	—	14,941,199	12,456,950	3,643,497	—	16,100,447
Net investment- related receivables	—	11,786	—	11,786	—	575	—	575
Direct private debt investments	—	546,044	716,284	1,262,328	—	369,830	—	369,830
	12,028,529	3,484,777	716,284	16,229,590	12,456,950	4,013,902	—	16,470,852
<b>Investments in structured entities</b>								
Exchange traded funds	2,383,163	—	—	2,383,163	565,378	—	—	565,378
BCI Money market funds	—	1,247,036	—	1,247,036	—	594,536	—	594,536
BCI Floating rate funds	—	670,373	—	670,373	—	—	—	—
	2,383,163	1,917,409	—	4,300,572	565,378	594,536	—	1,159,914
Total investments	14,411,692	5,402,186	716,284	20,530,162	13,022,328	4,608,438	—	17,630,766
Swaps, net	—	7,955	—	7,955	—	—	—	—
Options, net	—	153	—	153	—	—	—	—
Forwards, net	—	183,347	—	183,347	—	(701,557)	—	(701,557)
Total derivatives	—	191,455	—	191,455	—	(701,557)	—	(701,557)
<b>Total</b>	<b>\$ 14,411,692</b>	<b>\$ 5,593,641</b>	<b>\$ 716,284</b>	<b>\$20,721,617</b>	<b>\$ 13,022,328</b>	<b>\$ 3,906,881</b>	<b>\$ —</b>	<b>\$16,929,209</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

## CORPORATE BOND FUND

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 25.8% (2024 - 13.1%) of the net assets of Investee money market funds administered by BCI
- 100.0% (2024 - —%) of the net assets of Investee floating rate funds administered by BCI
- 3.3% (2024 - 1.2%) of the net assets of Investee funds administered by external manager.

During 2025, quoted prices in active markets became available and unavailable for certain bond investments due to changes in market conditions. Therefore, these securities, with an amount of \$588,317 (2024 - \$3,889,257) were transferred from Level 2 to Level 1, and \$1,254,001 (2024 - \$nil) were transferred from Level 1 to Level 2.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2025	
	Direct Private Debt Investments	Total
Opening balance, beginning of year	\$ —	\$ —
Total gains recognized in profit or loss	141,695	141,695
Purchases	611,372	611,372
Transfers	—	—
Sales	(36,783)	(36,783)
<b>Closing balance, end of year</b>	<b>\$ 716,284</b>	<b>\$ 716,284</b>
<b>Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date</b>	<b>\$ 3,765</b>	<b>\$ 3,765</b>

### Significant Unobservable Inputs Used in Measuring Fair Value

The following table sets out information about significant unobservable inputs used at year-end in measuring the fair value of investments categorized as Level 3 in the fair value hierarchy as at:

	2025						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input	
Direct Private Debt Investments	\$ 2,607	Transaction Price		N/A	N/A	N/A	N/A
Direct Private Debt Investments	\$ 713,677	Discounted Cash Flows	Discount rate	5.4% - 8.0%	6.3%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).	

Significant unobservable inputs are developed as follows:

#### Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

#### Transaction Price:

When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, no sensitivity analysis has been performed.

## CORPORATE BOND FUND

### Effects of Unobservable Input on Fair Value Measurement

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how net assets attributable to holders of redeemable units would change if:

- I. the valuation of certain direct private debt investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of 5% of the respective investment's range of possible estimates; and
- II. the fair value of remaining underlying investments were adjusted by 5%

		<b>2025</b>	<b>2024</b>
Favourable	\$	25,114 \$	—
Unfavourable	\$	(25,759) \$	—

## THE FUNDING PROGRAM

### Statement of Financial Position

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash		\$ 2	\$ —
Receivable from sale of investments		—	118,955
Interest receivable		162,062	143,628
Derivative assets:			
Swaps		175,123	209,150
Forwards		218	—
Investments		35,296,630	28,079,437
<b>Total assets</b>		<b>35,634,035</b>	<b>28,551,170</b>
<b>Liabilities</b>			
Payable for purchase of investments		—	43,232
BCI cost recoveries payable	4	1,523	1,313
Interest payable		145,945	181,521
Amounts payable under repurchase agreements	4	21,941,457	20,583,137
Other accounts payable		242	293
Derivative liabilities:			
Swaps		41,040	477
Capital market debt financing	6	8,500,639	3,939,444
		30,630,846	24,749,417
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 5,003,189</b>	<b>\$ 3,801,753</b>
Number of redeemable units outstanding	5	6,324,271.370	4,459,118.266
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1</b>	<b>\$ 1</b>

#### **[S] Gordon J. Fyfe**

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

## THE FUNDING PROGRAM

### Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 1,123,371	\$ 948,150
Securities lending income		534	275
Other income		4	293
Foreign exchange gain		239	—
Change in fair value of investments, derivatives and capital market debt financing:			
Net realized loss		(8,857)	(78,895)
Net change in unrealized gain (loss)		(532,222)	19,335
<b>Total revenue</b>		<b>583,069</b>	<b>889,158</b>
<b>Expenses</b>			
BCI cost recoveries	4	17,630	16,765
Administrative fees		5,634	5,668
Interest expense		864,426	1,018,828
Commissions and stock exchange fees		17,491	9,646
Pursuit costs		—	41
<b>Total operating expenses</b>		<b>905,181</b>	<b>1,050,948</b>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<b>\$ (322,112)</b>	<b>\$ (161,790)</b>

## THE FUNDING PROGRAM

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 3,801,753	\$ 4,065,073
Decrease in net assets attributable to holders of redeemable units	(322,112)	(161,790)
Redeemable unit transactions:		
Proceeds from units issued	1,550,278	627,316
Amounts paid for units redeemed	(26,730)	(728,846)
Net increase (decrease) from redeemable unit transactions	1,523,548	(101,530)
<b>Balance, end of year</b>	<b>\$ 5,003,189</b>	<b>\$ 3,801,753</b>

## THE FUNDING PROGRAM

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Operating activities</b>	<b>2025</b>	<b>2024</b>
Decrease in net assets attributable to holders of redeemable units	\$ (322,112)	\$ (161,790)
Adjustments for:		
Foreign exchange gain	(239)	—
Interest income	(1,123,371)	(948,150)
Interest expense	864,426	1,018,828
Net realized loss from investments, derivatives and capital market debt financing	8,857	78,895
Net change in unrealized (gain) loss of investments, derivatives and capital market debt financing	532,222	(19,335)
Amortization of premiums and discounts	(48,844)	(52,514)
BCI cost recoveries payable	210	(127)
Other accounts payable	(51)	(1,184)
Interest received	1,086,337	926,934
Interest paid	(900,002)	(1,059,347)
Net purchase of investments and derivatives	(7,445,368)	(3,968,283)
	(7,347,935)	(4,186,073)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	1,550,278	627,316
Payments on redemption of redeemable units	(26,730)	(728,846)
Net proceeds from repurchase agreements	1,358,320	1,726,922
Proceeds from issuance of capital market debt financing	4,465,830	2,559,130
	7,347,698	4,184,522
Net decrease in cash	(237)	(1,551)
Effect of exchange rate changes on cash	239	—
Cash, beginning of year	—	1,551
<b>Cash, end of year</b>	<b>\$ 2</b>	<b>\$ —</b>

## THE FUNDING PROGRAM

### Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds</b>				
Pledged financial assets at FVTPL				
Federal Government	\$ 21,105,357	\$ 21,159,417	\$ 15,342,724	\$ 15,217,862
Provincial Government	5,081,625	5,323,735	8,530,041	8,950,266
Corporate	—	—	205,636	202,782
Non-pledged financial assets at FVTPL				
Federal Government	472,341	473,594	519,203	516,322
Provincial Government	5,015,011	5,419,974	2,250,845	2,296,142
Municipal Government	—	—	171,103	162,524
Mortgage-Backed Securities	1,545,163	1,534,373	722,899	713,245
Supranational and Sovereign	—	—	56,109	55,049
	33,219,497	33,911,093	27,798,560	28,114,192
<b>Money Market Investments</b>				
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	208,759	208,758	102,712	102,713
<b>Bond Funds</b>				
Units in BCI Pooled Investment Portfolio				
Government Bond Fund	38,438	38,647	5,701	5,696
<b>Investment Related Receivables</b>				
Securities purchased under reverse repurchase agreements	1,326,421	1,326,416	172,464	172,464
<b>Internal Financing Transactions (note 4)</b>				
Loan to QuadReal Multi Asset Realty	503,515	500,000	—	—
<b>Total Investments</b>	<b>\$ 35,296,630</b>	<b>\$ 35,984,914</b>	<b>\$ 28,079,437</b>	<b>\$ 28,395,065</b>

## THE FUNDING PROGRAM

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Currency derivatives</b>						
<b>OTC</b>						
Forwards	\$ 130,742	\$ 218	\$ —	\$ —	\$ —	\$ —
<b>Interest rate derivatives</b>						
<b>Listed</b>						
Futures <sup>(c)</sup>	187,100	—	—	—	—	—
<b>OTC</b>						
Swaps	9,075,240	175,123	(41,040)	3,900,000	209,150	(477)
<b>Total</b>	<b>\$ 9,393,082</b>	<b>\$ 175,341</b>	<b>\$ (41,040)</b>	<b>\$ 3,900,000</b>	<b>\$ 209,150</b>	<b>\$ (477)</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 1,143,082	\$ 150,000
1 to 2 years	—	—
Over 2 years	8,250,000	3,750,000
<b>Total</b>	<b>\$ 9,393,082</b>	<b>\$ 3,900,000</b>

- (a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.
- (b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.
- (c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position and in realized gains and losses on the Statement of Comprehensive Income.

## THE FUNDING PROGRAM

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objective of the The Funding Program (the "Fund") is to provide participating clients with an opportunity to benefit from BCI's use of leverage. The Fund's asset benchmark is actual performance and liability benchmark is realized cost of financing.

The Fund can hold the following securities:

- fixed income securities issued or guaranteed by the Government of Canada, a Canadian provincial or municipal government, Canadian government-related entities, or the Government of the United States;
- Canadian dollar denominated fixed income securities which are issued or guaranteed by a sovereign government;
- Canadian dollar denominated fixed income securities which are issued or guaranteed by supranational entities;
- money market instruments, including repurchase agreements;
- agreements to finance other BCI Funds, portfolios, and accounts;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, liquidity management, and/or leverage; and
- units in BCI Pools with liquid assets, that Participating Unitholders already hold, but excluding BCI Floating Rate Funds

The following restrictions apply to the Fund:

- fixed income securities issued by municipalities, Canadian government-related entities, and non-Canadian entities must be rated BBB- or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- The weighting of securities issued by municipalities and Canadian government-related entities shall not exceed 10 percentage points above the weighting of such bonds within the FTSE Canada All Government Bond Index;
- Not more than 25 percent of the market value of the Fund's bond portfolio can be invested in securities issued or guaranteed by an entity other than the Government of Canada or a Canadian provincial or municipal government except on a temporary basis with documented CIO approval;
- the Fund may not sell a security which it does not own (i.e. short sale);
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any derivatives counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

#### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

BONDS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 27,769,690	83.6 %	\$ 27,183,639	97.8 %
A	5,449,807	16.4	614,921	2.2
<b>Total</b>	<b>\$ 33,219,497</b>	<b>100.0 %</b>	<b>\$ 27,798,560</b>	<b>100.0 %</b>

## THE FUNDING PROGRAM

The Fund invests in derivative contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2025			2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 3,050,342	\$ 72,518	\$ (15,364)	\$ 1,075,000	\$ 88,087	\$ (159)
A	6,155,640	102,823	(25,676)	2,825,000	121,063	(318)
<b>Total Derivatives</b>	<b>\$ 9,205,982</b>	<b>\$ 175,341</b>	<b>\$ (41,040)</b>	<b>\$ 3,900,000</b>	<b>\$ 209,150</b>	<b>\$ (477)</b>

The Fund's loans were made to related parties as described in note 4. Due to the private nature of the loans, they are not subject to rating by a rating agency. The maximum credit risk exposure is \$503,515 (2024 - \$nil).

### Collateral Pledged and Received

The Fund is party to repurchase and sell buy back agreements, which involve pledging and holding collateral. The following table illustrates the fair values of such collateral and the securities under these agreements:

	2025	2024
Amounts payable under repurchase agreements	\$ 21,941,457	\$ 20,583,137
Collateral received	134,083	208,765
Collateral pledged	26,186,981	24,078,401

Credit risk relating to reverse repurchase agreements is considered low due to the amount and quality of collateral, as well as high counterparty credit ratings. As at December 31, the Fund invested in securities purchased under reverse repurchase agreements with the following issuer credit ratings:

REVERSE REPURCHASE INVESTMENTS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 200,022	15.1 %	—	0.0 %
A	1,126,399	84.9	172,464	100.0
<b>Total</b>	<b>\$ 1,326,421</b>	<b>100.0 %</b>	<b>\$ 172,464</b>	<b>100.0 %</b>

### Liquidity Risk

Note 6 of the financial statements provides information on the carrying amount and the terms of the Fund's capital market debt financing. All other non-derivative liabilities and amounts payable under repurchase agreements are due within one year of the year end of the Fund, respectively.

The following were the contractual maturities of derivative financial instruments at December 31:

	2025				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 175,341	\$ 814	—	\$ 174,527	\$ 175,341
Derivative liabilities	(41,040)	(114)	—	(40,926)	(41,040)
	<b>\$ 134,301</b>	<b>\$ 700</b>	<b>—</b>	<b>\$ 133,601</b>	<b>\$ 134,301</b>

## THE FUNDING PROGRAM

		2024				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total	
Derivative assets	\$ 209,150	\$ 605	\$ —	\$ 208,545	\$ 209,150	
Derivative liabilities	(477)	(477)	—	—	(477)	
	<b>\$ 208,673</b>	<b>\$ 128</b>	<b>\$ —</b>	<b>\$ 208,545</b>	<b>\$ 208,673</b>	

### Interest Rate Risk

The Fund's investment objective results in the Fund being exposed to leveraged interest rate risk. The Fund finances bond purchases with repurchase agreements which are generally of shorter duration than the bond investments, resulting in significant interest rate risk. The Fund's investment in bonds is approximately 7 times the net asset value of the Fund (2024 - 7), resulting in significantly greater interest rate risk than an unleveraged bond investment.

As at December 31, the Fund invested in bond instruments with the following terms to maturity and average effective yield:

BONDS BY MATURITY DATE	2025		2024	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 277,602	2.4 %	\$ 67,919	3.0 %
1 to 2 years	3,038,857	2.6	2,904,092	3.0
2 to 5 years	9,653,981	2.9	7,075,912	3.0
5 to 10 years	10,168,838	3.3	9,034,613	3.4
10 to 20 years	4,042,539	4.3	3,097,487	4.0
20 to 30 years	4,215,718	4.5	3,551,556	4.1
Over 30 years	1,821,962	4.4	2,066,981	3.9
<b>Total Bonds</b>	<b>\$ 33,219,497</b>	<b>3.4 %</b>	<b>\$ 27,798,560</b>	<b>3.4 %</b>

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$2,368,550 (2024 - \$2,157,168), representing 47.3% of the Fund's net assets (2024 - 56.7%). In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

Note 6 of the financial statements provides information on the carrying amount and the terms of the Fund's capital market debt financing. The Fund has simultaneously entered into interest rate swaps whereby the fixed interest rate return of the capital market debt financing is swapped for a floating rate of return. Therefore, the Fund is generally not exposed to fair value interest rate risk from the capital market debt financing held within the Fund.

### Currency Risk

As at December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

		2025			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivables/ (Payables)	Net Exposure	% of Total Net Assets	
United States Dollar	\$ 131,003	\$ (130,925)	\$ 78	0.0 %	
<b>Net Foreign Exchange Exposure</b>	<b>\$ 131,003</b>	<b>\$ (130,925)</b>	<b>\$ 78</b>	<b>0.0 %</b>	

During 2024 the Fund was not exposed to significant currency risk since the Fund's assets and liabilities were denominated in Canadian dollars.

## THE FUNDING PROGRAM

As at December 31, 2025, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$1 (2024 - \$nil), representing 0.0% (2024 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

All of the Fund's investments are exposed to the Canadian market.

## THE FUNDING PROGRAM

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Bonds	1,971,279	31,248,218	33,219,497	—	27,798,560	27,798,560
Securities purchased under reverse repurchase agreements	—	1,326,421	1,326,421	—	172,464	172,464
Internal financing transactions	—	503,515	503,515	—	—	—
	1,971,279	33,078,154	35,049,433	—	27,971,024	27,971,024
<b>Investments in structured entities</b>						
BCI Money market funds	—	208,759	208,759	—	102,712	102,712
Bond funds	\$ —	\$ 38,438	\$ 38,438	\$ —	\$ 5,701	\$ 5,701
	—	247,197	247,197	—	108,413	108,413
Total investments	1,971,279	33,325,351	35,296,630	—	28,079,437	28,079,437
Swaps, net	—	134,083	134,083	—	208,673	208,673
Forwards, net	—	218	218	—	—	—
Total derivatives	—	134,301	134,301	—	208,673	208,673
Capital market debt financing	—	(8,500,639)	(8,500,639)	—	(3,939,444)	(3,939,444)
Amounts payable under repurchase agreements	—	(21,941,457)	(21,941,457)	—	(20,583,137)	(20,583,137)
<b>Total</b>	<b>\$ 1,971,279</b>	<b>\$ 3,017,556</b>	<b>\$ 4,988,835</b>	<b>\$ —</b>	<b>\$ 3,765,529</b>	<b>\$ 3,765,529</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025, quoted prices in active markets became available for certain bond investments due to changes in market conditions. Therefore, these securities, with an amount of \$609,669 (2024 - \$nil) were transferred from Level 2 to Level 1.

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 9.4% (2024 - 2.7%) of the net assets of Investee money market funds administered by BCI
- 0.2% (2024 - —%) of the net assets of Investee bond funds administered by BCI

**GOVERNMENT BOND FUND****Statement of Financial Position**

(Expressed in thousands of dollars, except number of units)

As at December 31, 2025, with comparative information for 2024

<b>Assets</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Cash		\$ 1	\$ —
Receivable from sale of investments		—	175,771
Interest receivable		114,841	107,786
Investments		23,741,016	21,308,136
<b>Total assets</b>		<b>23,855,858</b>	<b>21,591,693</b>
<b>Liabilities</b>			
Payable for purchase of investments		—	129,696
BCI cost recoveries payable	4	544	460
Other accounts payable		76	52
		620	130,208
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 23,855,238</b>	<b>\$ 21,461,485</b>
Number of redeemable units outstanding	5	24,687.509	22,690.061
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 966</b>	<b>\$ 946</b>

**[S] Gordon J. Fyfe**


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Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

**GOVERNMENT BOND FUND****Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

<b>Revenue</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Interest income		\$ 816,822	\$ 727,603
Securities lending income		10,059	9,350
Other income		1	(14)
Foreign exchange gain		1	1
Change in fair value of investments:			
Net realized loss		(44,783)	(44,568)
Net change in unrealized gain (loss)		(279,041)	6,199
<b>Total revenue</b>		<b>503,059</b>	<b>698,571</b>
<b>Expenses</b>			
BCI cost recoveries	4	6,388	5,818
Administrative fees		114	111
Commissions and stock exchange fees		14	239
<b>Total operating expenses</b>		<b>6,516</b>	<b>6,168</b>
Increase in net assets attributable to holders of redeemable units before distributions		496,543	692,403
Distributions to holders of redeemable units		(820,381)	(731,012)
<b>Decrease in net assets attributable to holders of redeemable units</b>		<b>\$ (323,838)</b>	<b>\$ (38,609)</b>

**GOVERNMENT BOND FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 21,461,485	\$ 18,664,897
Decrease in net assets attributable to holders of redeemable units	(323,838)	(38,609)
Redeemable unit transactions:		
Proceeds from units issued	8,259,586	5,936,739
Reinvestment of distributions	820,381	731,012
Amounts paid for units redeemed	(6,362,376)	(3,832,554)
Net increase from redeemable unit transactions	2,717,591	2,835,197
<b>Balance, end of year</b>	<b>\$ 23,855,238</b>	<b>\$ 21,461,485</b>

## GOVERNMENT BOND FUND

### Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
<b>Operating activities</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (323,838)	\$ (38,609)
Adjustments for:		
Foreign exchange gain	(1)	(1)
Interest income	(816,822)	(727,603)
Net realized loss from investments	44,783	44,568
Net change in unrealized (gain) loss of investments	279,041	(6,199)
Amortization of premiums and discounts	(41,646)	(56,650)
Distributions to holders of redeemable units	820,381	731,012
BCI cost recoveries payable	84	(31)
Other accounts payable	24	(3)
Interest received	809,767	710,324
Net purchase of investments and derivatives	(2,668,983)	(2,762,349)
	(1,897,210)	(2,105,541)
<b>Financing activities</b>		
Proceeds from issuance of redeemable units	8,259,586	5,994,239
Payments on redemption of redeemable units	(6,362,376)	(3,890,054)
	1,897,210	2,104,185
Net decrease in cash	—	(1,356)
Effect of exchange rate changes on cash	1	1
Cash, beginning of year	—	1,355
<b>Cash, end of year</b>	<b>\$ 1</b>	<b>\$ —</b>

## GOVERNMENT BOND FUND

### Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds</b>				
Federal Government	\$ 14,648,590	\$ 14,703,586	\$ 11,995,217	\$ 11,885,608
Provincial Government	7,233,066	7,563,505	8,255,921	8,466,879
Municipal Government	—	—	231,200	234,896
Mortgage-Backed Securities	1,790,377	1,780,167	717,685	709,129
Supranational and Sovereign	—	—	25,473	25,167
	23,672,033	24,047,258	21,225,496	21,321,679
<b>Money Market Investments</b>				
Units in BCI Pooled Investment Portfolio				
Canadian Money Market Fund ST1	68,983	68,983	82,640	82,641
<b>Total Investments</b>	<b>\$ 23,741,016</b>	<b>\$ 24,116,241</b>	<b>\$ 21,308,136</b>	<b>\$ 21,404,320</b>

## GOVERNMENT BOND FUND

### Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2025, with comparative information for 2024

	2025			2024		
	Notional Value <sup>(a)</sup>	Fair Value		Notional Value <sup>(a)</sup>	Fair Value	
Derivative Assets <sup>(b)</sup>		Derivative Liabilities	Derivative Assets <sup>(b)</sup>		Derivative Liabilities	
<b>Interest rate derivatives</b>						
<b>Listed</b>						
Futures <sup>(c)</sup>	234,000	—	—	—	—	—
<b>Total</b>	<b>\$ 234,000</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The terms to maturity based on notional value for the derivatives were as follows at December 31:

	2025	2024
Less than 1 year	\$ 234,000	\$ —
1 to 2 years	—	—
<b>Total</b>	<b>\$ 234,000</b>	<b>\$ —</b>

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

(c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position and in realized gains and losses on the Statement of Comprehensive Income.

## GOVERNMENT BOND FUND

### Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Government Bond Fund (the "Fund") primarily invests in bonds issued or guaranteed by the Canadian government (federal, provincial, or municipal). The investment objective of the Fund is to exceed the Fund's benchmark, the FTSE Canada All Government Bond Index, net of all investment expenses incurred. The Fund is actively managed. The portfolio manager attempts to increase the returns relative to the Fund's benchmark by actively managing the interest rate and credit exposure of the Fund.

The Fund can hold the following securities:

- fixed income securities issued or guaranteed by the Government of Canada, a Canadian provincial or municipal government, Canadian government-related entities, or the Government of the United States;
- Canadian dollar denominated fixed income securities which are issued or guaranteed by a sovereign government;
- Canadian dollar denominated fixed income securities which are issued or guaranteed by supranational entities;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- units in BCI Canadian and/or US Dollar Short Term Money Market Funds, other BCI short-term fixed income Funds, and the Floating Rate Funds.

The following restrictions apply to the Fund:

- fixed income securities issued by municipalities, Canadian government-related entities, and non-Canadian entities must be rated BBB- or better by Standard & Poor's or have an equivalent rating from another credit rating agency;
- the Fund's weighting of securities issued by municipalities and Canadian government-related entities shall not exceed 10 percentage points above the weighting of such bonds within the Index;
- not more than 25 percent of the market value of the Fund can be invested in securities issued or guaranteed by an entity other than the Government of Canada or a Canadian provincial or municipal government except on a temporary basis with documented CIO approval;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency;
- notwithstanding the restriction above, new over-the-counter derivative contracts with a downgraded counterparty are permitted if such contracts would fully or partially offset an existing exposure with the counterparty, leading to a reduction in net exposure; and
- if any security or counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

#### Credit Risk

As at December 31, the Fund invested in debt instruments with the following security or issuer credit ratings:

BONDS BY CREDIT RATING	2025		2024	
	Total	% of Total	Total	% Total
AAA/AA	\$ 19,841,414	83.8 %	\$ 20,688,850	97.5 %
A	3,830,619	16.2	536,646	2.5
<b>Total</b>	<b>\$ 23,672,033</b>	<b>100.0 %</b>	<b>\$ 21,225,496</b>	<b>100.0 %</b>

The Fund's other financial assets are not exposed to significant credit risk.

## GOVERNMENT BOND FUND

### Liquidity Risk

The Fund's liabilities are due within three months of the year-end of the Fund.

### Interest Rate Risk

As at December 31, the Fund invested in bond instruments with the following terms to maturity and average effective yield:

BONDS BY MATURITY DATE	2025		2024	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 135,806	2.5 %	\$ 95,218	3.1 %
1 to 2 years	2,388,212	2.6	2,121,526	3.0
2 to 5 years	7,022,161	2.9	5,437,311	3.1
5 to 10 years	7,143,838	3.3	6,759,373	3.3
10 to 20 years	2,762,199	4.4	2,477,110	4.0
20 to 30 years	2,841,464	4.5	2,701,075	4.1
Over 30 years	1,378,353	4.4	1,633,883	3.9
<b>Total Bonds</b>	<b>\$ 23,672,033</b>	<b>3.4 %</b>	<b>\$ 21,225,496</b>	<b>3.4 %</b>

The duration is to be managed within  $\pm 20$  percent of the benchmark duration, which was 7.4 years as at December 31, 2025 (2024 - 7.8 years). As at December 31, 2025, the Fund had an average duration of 7.3 years (2024 - 7.8 years). At December 31, the longest term to maturity for a debt instrument within the Fund is 49 years (2024 - 50 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$1,742,262 (2024 - \$1,659,834), representing 7.3% (2024 - 7.7%) of the Fund's net assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

### Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in Canadian dollars.

### Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

#### *Investments by geographic region*

As at December 31, the Fund's bond investments are concentrated in the following geographical regions:

GEOGRAPHIC REGION	2025		2024	
	Total	% of Total	Total	% of Total
Canada	\$ 23,672,033	100.0 %	\$ 21,200,023	99.9 %
Supranational	—	—	25,473	0.1
<b>Total</b>	<b>\$ 23,672,033</b>	<b>100.0 %</b>	<b>\$ 21,225,496</b>	<b>100.0 %</b>

## GOVERNMENT BOND FUND

### Fair Value Measurement Discussion

(Expressed in thousands of dollars)

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position.

As at December 31, all fair value measurements noted in the tables below are recurring.

	2025			2024		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
<b>Direct investments</b>						
Bonds	\$ 970,257	\$ 22,701,776	\$ 23,672,033	\$ —	\$ 21,225,496	\$ 21,225,496
	970,257	22,701,776	23,672,033	—	21,225,496	21,225,496
<b>Investments in structured entities</b>						
BCI Money market funds	—	68,983	68,983	—	82,640	82,640
	—	68,983	68,983	—	82,640	82,640
<b>Total</b>	<b>\$ 970,257</b>	<b>\$ 22,770,759</b>	<b>\$ 23,741,016</b>	<b>\$ —</b>	<b>\$ 21,308,136</b>	<b>\$ 21,308,136</b>

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

During 2025, quoted prices in active markets became available for certain bond investments due to changes in market conditions. Therefore, these securities, with an amount of \$592,217 (2024 - \$nil) were transferred from Level 2 to Level 1.

As described in note 7 of the financial statements, the Fund holds interests in structured entities. As at December 31, the Fund's holdings include:

- 3.1% (2024 - 2.2%) of the net assets of Investee money market funds administered by BCI

## 1. THE PORTFOLIOS

British Columbia Investment Management Corporation ("BCI") was established under the *Public Sector Pension Plans Act* (the "Act") as a trust company authorized to carry on trust business and investment management services. The address of BCI's registered office is at 750 Pandora Avenue, Victoria, British Columbia, Canada. These financial statements have been prepared by BCI and are the responsibility of BCI management.

Under the Act and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (the "Regulations"), BCI may establish and operate Funds "... in which money from trust funds, special funds or other funds, other public money and the money of government bodies and designated institutions may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio." In addition, Funds previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the Regulations, to be held in trust by BCI and invested by the Chief Investment Officer ("CIO") of BCI.

The pooled investment portfolios (the "Funds") were established on the following dates:

Pooled Investment Portfolios	Dates Established
Canadian Money Market Fund ST1	April 21, 1986
Canadian Money Market Fund ST2	September 19, 1986
U.S. Dollar Money Market Fund ST3	August 1, 1990
U.S. Dollar Money Market Fund ST4	April 1, 2022
CDOR 2 Floating Rate Fund	October 11, 2018
CDOR 4 Floating Rate Fund	October 16, 2019
CORRA 1 Floating Rate Fund	July 26, 2023
SOFR 1 Floating Rate Fund	June 13, 2024
Short Term Bond Fund	November 1, 1995
Corporate Bond Fund	January 8, 2016
The Funding Program	September 19, 2019
Government Bond Fund	January 7, 2021

## 2. BASIS OF PRESENTATION

### (a) Statement of compliance

These financial statements have been prepared in compliance with IFRS Accounting Standards. These financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on April 13, 2026.

### (b) Accounting for investments

The Funds qualify as investment entities as they meet the following definition of an investment entity outlined in IFRS 10, *Consolidated Financial Statements (IFRS 10)*:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services.
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

### (c) Basis of measurement

These financial statements have been prepared on a historical cost basis except for investments, derivative financial instruments, amounts payable under repurchase agreements, capital market debt financing, and redeemable units which are measured at fair value.

**(d) Functional and presentation currency**

These financial statements are presented in Canadian dollars which is the Funds' functional currency, except for U.S. Dollar Money Market Fund ST3, U.S. Dollar Money Market Fund ST4, and SOFR 1 Floating Rate Fund, which are presented in U.S. dollars and whose functional currency is U.S. dollars.

**(e) Use of estimates and judgment**

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material. Given the current economic climate, the financial markets are a source of uncertainty, notably due to geopolitical tensions, ongoing tariff negotiations, and the volatility of stock markets and interest rates. These factors continue to disrupt global economic activity.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Financial instruments**

**(i) Recognition and measurement**

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds change their business models for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Funds have not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivative financial liabilities. On initial recognition the Funds irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

**(ii) Fair value through profit or loss**

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the Statement of Comprehensive Income in the period in which they occur.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative financial instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of BCI, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

**(iii) Amortized cost**

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

**(iv) Classification of financial assets and liabilities**

The following table summarizes the classification of the Funds' financial assets and liabilities:

FINANCIAL ASSET OR LIABILITY	CLASSIFICATION
Investments	FVTPL
Derivative financial instruments	FVTPL
Amounts payable under repurchase agreements	FVTPL
Capital market debt financing	FVTPL
Redeemable units	FVTPL
Cash	Amortized cost
Receivable from sale of investments	Amortized cost
Interest receivable	Amortized cost
Other receivables	Amortized cost
Payable for purchase of investments	Amortized cost
Payable for redemption of units	Amortized cost
BCI cost recoveries payable	Amortized cost
Interest payable	Amortized cost
Other accounts payable	Amortized cost

**(b) Receivables and payables under repurchase agreements**

The Funds are party to repurchase agreements and reverse repurchase agreements. These agreements involve the sale of securities by one counterparty with a simultaneous agreement to repurchase such securities at a specified price and at a specified future date.

When the Funds purchase a financial asset and simultaneously enter into an agreement to resell the same or a substantially similar asset at a fixed price on a future date (reverse repurchase agreement), the arrangement is recognized in the Statement of Financial Position within Investments as securities purchased under reverse repurchase agreement, and the underlying asset is not recognized in the Funds' financial statements as the counterparty retains the risks and rewards of ownership of the underlying asset.

When the Funds sell a financial asset and simultaneously enter into an agreement to repurchase the same or a similar asset at a fixed price on a future date (repurchase agreement), the Funds retain substantially all of the risks and rewards of ownership of the asset. Therefore, the arrangement is accounted for as a borrowing and is recognized in the Statement of Financial Position as amounts payable under repurchase agreement and the underlying asset is not derecognized.

**(c) Redeemable Units**

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are authorized and no longer at the discretion of BCI.

**(d) Issues and redemption of units**

Participation in each Fund is expressed in units. The initial value of a unit on inception is \$1 million (\$U.S. 1 million for the U.S. Dollar Money Market Fund ST3, U.S. Dollar Money Market Fund ST4, and SOFR 1 Floating Rate Fund). For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. All of the Funds were open-ended Funds throughout the year where the number of units available for issue was unlimited and the proportion

of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

**(e) Foreign exchange**

Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars (U.S. dollars for the U.S. Dollar Money Market Fund ST3, the U.S. Dollar Money Market Fund ST4, and the SOFR 1 Floating Rate Fund) using the exchange rates prevailing on each valuation date. Purchases and sales of investments, and income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statement of Comprehensive Income.

**(f) Revenue recognition**

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments.

**(g) Fees and commission expense**

Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal of an investment are expensed as incurred. Pursuit costs are charged to net income of the respective Funds in the period incurred.

**(h) Securities lending**

Securities lending contracts are entered into for the temporary delivery of securities to a borrower in exchange for different securities having a higher market value (collateral), with an obligation for the borrower to redeliver the same quantity of the original securities lent at a future date. The lender receives a fee from the borrower, and retains the rights to receive equivalent interest payments or dividends from the loaned securities. The Funds continue to recognize the securities in their entirety in the Statement of Financial Position as the Funds retain all of the risks and rewards of ownership. Securities lending income is recognized over the term of the arrangement. The credit risk related to securities lending transactions is limited by the fact that the value of securities held as collateral by the Funds is at least 105% of the market value of the securities loaned.

**(i) Income taxes**

The Funds are immune from income taxation in Canada under the Constitution Act. All of a Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders pursuant to the Regulations. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

**(j) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations as listed below are not yet effective for the year ended December 31, 2025, and have not been applied in preparing these financial statements.

None of the following standards are expected to have a significant effect on the financial statements of the Funds:

Effective on January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

The following new standards are expected to impact the financial statement disclosures of the Funds. The extent of disclosure impact to the Funds is being assessed and has not yet been determined:

Effective on January 1, 2027 :

- IFRS 18 Presentation and Disclosure in Financial Statements

#### 4. RELATED PARTY TRANSACTIONS

The Funds' related parties include BCI, QuadReal Property Group Limited Partnership and affiliates ("QuadReal"), the Province of British Columbia and related entities, investments where a Fund has a controlling interest or significant influence, entities with common ownership, and other related entities for which a Fund provides investment management services. QuadReal is an independently operated company, owned by BCI, which manages the Real Estate Debt and Real Estate Programs pursuant to an Asset Management Agreement as agreed between BCI and QuadReal. The Funds had the following transactions with related parties during the year.

##### BCI cost recoveries

Third party costs that are attributable to a specific Fund are charged to that Fund. Other costs initially borne by BCI are recovered from the various Funds on a cost recovery basis. BCI cost recoveries and corresponding payable are disclosed in each Fund's Statement of Comprehensive Income and Statement of Financial Position, respectively.

##### Investments

The Funds enter into investment transactions with related parties in the normal course of business. The terms of the respective purchases and sales are equivalent to those prevailing in an arm's length transaction, with each Fund's interests represented by different BCI personnel.

Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on a basis equivalent to those in an arm's length transaction.

##### Internal financing transactions

In the normal course of business, CDOR 2 Floating Rate Fund and the Funding Program entered into internal fixed term financing to the below entities managed by BCI which are classified as related parties. These transactions are governed by BCI's *Internal Transaction Directive*. The amounts in the table represent outstanding amounts as at:

##### CDOR 2 Floating Rate Fund:

Borrowing entity	Initial principal financing commitment	December 31, 2025	December 31, 2024
Infrastructure & Renewable Resources <sup>1</sup>	Up to \$3,450,000	\$ 1,079,466	\$ 910,964
Total Loans to Infrastructure & Renewable Resources Program		\$ 1,079,466	\$ 910,964
Private Equity <sup>2</sup>	Up to \$2,500,000	\$ 912,859	\$ 906,150
Total Loans to Private Equity Program		\$ 912,859	\$ 906,150

<sup>1</sup>The borrowing entities are stopper corporations within Bolsena Fund, Bolsena (Public) Fund, Orto (S-NPC) Fund and client segregated accounts within the Infrastructure and Renewable Resources program. The Facilities earn a floating rate return that is linked to the Canadian Overnight Repo Rate plus 0.94% - 1.06% and of which \$300,450 matures in January 2026, \$627,947 matures in July 2026 and \$151,069 matures in May 2028.

<sup>2</sup>The borrowing entity is a stopper corporation within the Private Equity Funds. The Facility earns a floating rate return that is linked to Canadian Overnight Repo Rate plus 0.96% - 1.04% and of which \$146,209 matures in January 2026 and \$766,650 matures in July 2026.

Borrowing entity	Initial principal financing commitment	December 31, 2025	December 31, 2024
QuadReal Global I REIT Investment LP <sup>3</sup>	Up to \$500,000	\$ 25,131	\$ 25,179
Total Loans to QuadReal-managed entities		\$ 25,131	\$ 25,179

### The Funding Program:

Borrowing entity	Initial principal financing commitment	December 31, 2025	December 31, 2024
QuadReal Multi Asset Realty <sup>4</sup>	Up to \$500,000	\$ 503,515	\$ —
Total Loans to QuadReal-managed entities		\$ 503,515	\$ —

Internal transactions between Funds are not secured in that specific assets are not pledged by the borrowing Fund to secure its obligations; however, the obligations of the borrowing Funds are supported by assurances from BCI's Strategic Asset Allocation Department that client assets will be reallocated to the borrowing pool as necessary to ensure satisfaction of payment obligations at the end of the financing term.

### Repurchase agreements

During 2025 and 2024, the Funding Program entered into internal repurchase agreements with short term money market funds managed by BCI which are classified as related parties. These transactions are carried out on terms that are equivalent to those that may prevail in transactions with unrelated parties subject to the same internal processes, and with each Fund's interest represented by different BCI personnel. The amounts in the table represent outstanding amounts as at:

Securities purchased under reverse repurchase agreements - related party	December 31, 2025
U.S. Dollar Money Market Fund ST3 <sup>5</sup>	\$ 130,915
Total securities purchased under reverse repurchase agreements - related party	\$ 130,915

Amounts payable under repurchase agreements - related party	December 31, 2025
The Funding Program <sup>5</sup>	\$ (130,915)
Total amounts payable under repurchase agreements - related party	\$ (130,915)

Securities purchased under reverse repurchase agreements - related party	December 31, 2024
Canadian Money Market Fund ST1 <sup>6</sup>	\$ 200,138
Canadian Money Market Fund ST2 <sup>6</sup>	198,528
Total securities purchased under reverse repurchase agreements - related party	\$ 398,666

Amounts payable under repurchase agreements - related party	December 31, 2024
The Funding Program <sup>6</sup>	\$ (398,666)
Total amounts payable under repurchase agreements - related party	\$ (398,666)

<sup>3</sup>The borrowing entity is QuadReal Global I REIT Investment LP, a limited partnership primarily held by a pooled investment portfolio within the Real Estate program. The Facility earns a floating rate return that is linked to the Canadian Overnight Repo Rate plus a set percentage based on loan-to-value of securities held within QuadReal Global I REIT Investment LP ranging from 1.01% - 1.26%. In February 2025, this Facility was rolled over for an additional 12 months to mature February 2026. The extended facility earns a floating rate return that is linked to the Canadian Overnight Repo Rate plus a set percentage based on loan-to-value of securities held within QuadReal Global I REIT Investment LP ranging from 1.09% - 1.34%.

<sup>4</sup>The borrowing entity is QuadReal Multi Asset Realty, a pooled investment portfolio within the Real Estate program. The Facility earns a floating rate return that is linked to the Canadian Overnight Repo Rate plus 0.92% and matures in January 2030.

<sup>5</sup> The agreements are entered at a fixed rate at 3.085% and matured in January 2026.

<sup>6</sup> The agreements are entered at a floating rate that is linked to the Canadian Overnight Repo Rate plus 0.08% - 0.16% and matured in January 2025.

## Credit Facility

During 2023, BCI entered into a secured and uncommitted line of credit (the "Facility") with its custodian for up to \$1,000,000 for cash flow management, working capital, and settlement coverage needs. The Facility is secured by certain qualified assets of the CORRA 1 Floating Rate Fund. In the event that an amount has been drawn on this Facility, the associated proceeds and liability would be held by the benefiting Fund. The Facility bears interest at the Federal Funds Target Rate plus 100 basis points per annum. As at December 31, 2025, \$49,220 (December 31, 2024: \$20,336) has been drawn on this credit facility.

## 5. REDEEMABLE UNITS

The Funds are authorized to issue an unlimited number of units. Units issued and outstanding represent the capital of each Fund. The Funds are not subject to any internally or externally imposed restrictions on their capital. BCI manages the capital of each Fund in accordance with the respective Fund's investment objectives, including managing the redeemable units to ensure a stable base to maximize returns to all investors, and managing liquidity in order to meet redemptions. The following is a summary of the changes in redeemable units outstanding during the period ended December 31:

	CANADIAN MONEY MARKET FUND ST1		CANADIAN MONEY MARKET FUND ST2		U.S. DOLLAR MONEY MARKET FUND ST3	
	2025	2024	2025	2024	2025	2024
Outstanding, beginning of period	851.149	636.226	719.449	556.874	213.413	875.224
Issued for cash	14,252.153	15,639.147	1,288.046	1,433.269	8,895.966	9,189.713
Issued on reinvestment of distributions	19.150	33.273	16.167	28.068	23.592	34.915
Split (Consolidation) of units	(19.150)	(33.273)	(16.167)	(28.068)	(23.592)	(34.915)
Redeemed	(14,612.227)	(15,424.224)	(1,553.847)	(1,270.694)	(8,406.458)	(9,851.524)
<b>Outstanding, end of period</b>	<b>491.075</b>	<b>851.149</b>	<b>453.648</b>	<b>719.449</b>	<b>702.921</b>	<b>213.413</b>

  

	U.S. DOLLAR MONEY MARKET FUND ST4		CDOR 2 FLOATING RATE FUND		CDOR 4 FLOATING RATE FUND	
	2025	2024	2025	2024	2025	2024
Outstanding, beginning of period	1,029.242	625.325	1,589.630	1,841.264	1,471.305	840.381
Issued for cash	836.175	634.573	6,161.861	6,057.973	3,088.622	2,801.727
Issued on reinvestment of distributions	—	—	88.203	180.868	34.658	65.808
Split (Consolidation) of units	—	—	(88.203)	(180.868)	(34.658)	(65.808)
Redeemed	(501.669)	(230.656)	(6,541.987)	(6,309.607)	(3,262.279)	(2,170.803)
<b>Outstanding, end of period</b>	<b>1,363.748</b>	<b>1,029.242</b>	<b>1,209.504</b>	<b>1,589.630</b>	<b>1,297.648</b>	<b>1,471.305</b>

  

	CORRA 1 FLOATING RATE FUND		SOFR 1 FLOATING RATE FUND		SHORT TERM BOND FUND	
	2025	2024	2025	2024	2025	2024
Outstanding, beginning of period	3,893.168	7,097.943	—	—	584.950	605.457
Issued for cash	67,750.032	34,834.764	1,112.361	40.396	1.506	0.177
Issued on reinvestment of distributions	310.460	419.866	—	—	17.854	22.152
Split (Consolidation) of units	(310.460)	(419.866)	—	—	(17.854)	(22.152)
Redeemed	(61,270.655)	(38,039.539)	(645.827)	(40.396)	(1.425)	(20.684)
<b>Outstanding, end of period</b>	<b>10,372.545</b>	<b>3,893.168</b>	<b>466.534</b>	<b>—</b>	<b>585.031</b>	<b>584.950</b>

	CORPORATE BOND FUND		THE FUNDING PROGRAM		GOVERNMENT BOND FUND	
	2025	2024	2025	2024	2025	2024
Outstanding, beginning of period	12,026.257	9,661.023	4,459,118.266	4,698,679.223	22,690.061	20,391.019
Issued for cash	2,187.645	2,874.721	1,895,789.799	775,935.281	8,657.890	6,473.277
Issued on reinvestment of distributions	744.843	756.898	—	—	858.205	785.465
Split (Consolidation) of units	(744.843)	(756.898)	—	—	(858.205)	(785.465)
Redeemed	(439.368)	(509.487)	(30,636.695)	(1,015,496.238)	(6,660.442)	(4,174.235)
<b>Outstanding, end of period</b>	<b>13,774.534</b>	<b>12,026.257</b>	<b>6,324,271.370</b>	<b>4,459,118.266</b>	<b>24,687.509</b>	<b>22,690.061</b>

## 6. CAPITAL MARKET DEBT FINANCING

During 2025 and 2024, BCI issued senior unsecured medium term debt in respect of all assets under management that are held within pooled investment portfolios as defined under the Regulations, excluding real estate and real estate debt funds managed by QuadReal (collectively referred to as the “Combined Funds”). The capital raised from the capital market debt financing is used for general investment purposes. The Funding Program is the holder of the capital market debt financing and the associated proceeds, in respect of the Combined Funds. Recourse under the senior unsecured medium term debts, including upon the occurrence of an event of default, is limited to the assets of the Combined Funds.

The following outlines the terms and the fair value of the notes issued under the capital market debt financing program as at December 31:

	2025		2024	
	Capital amounts payable at maturity	Fair value	Capital amounts payable at maturity	Fair value
Senior unsecured medium-term Canadian dollar note Series 1, bearing interest at 4.9% per annum and maturing on June 2, 2033	\$ 2,250,000	\$ 2,441,058	\$ 2,250,000	\$ 2,435,398
Senior unsecured medium-term Canadian dollar note Series 2, bearing interest at 3.4% per annum and maturing on June 2, 2030.	3,000,000	3,031,884	1,500,000	1,504,046
Senior unsecured medium-term Canadian dollar note Series 3, bearing interest at 4.0% per annum and maturing on June 2, 2035.	3,000,000	3,027,697	—	—
<b>Total</b>	<b>\$ 8,250,000</b>	<b>\$ 8,500,639</b>	<b>\$ 3,750,000</b>	<b>\$ 3,939,444</b>

On January 6, 2026, BCI issued an additional \$2,000,000 in Series 4 medium-term notes, bearing interest at 3.25% per annum and maturing on June 2, 2031.

## 7. INVESTMENTS WITH STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Funds hold interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Funds’ interests in these entities is reflected through the holdings of units issued by the investee funds. The carrying amount of the investments held in these underlying funds represents the Funds’ maximum exposure to loss.

During 2025 and 2024, the Funds did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives.

## 8. FINANCIAL RISK MANAGEMENT

### (a) Risk management framework

Each Fund has its own investment objectives. The Funds' overall risk management program seeks to minimize the potentially adverse effect of risk on the Funds' financial performance in a manner consistent with the Funds' investment objectives. In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate risk, currency risk and other price risk). The level of risk varies depending on the investment objective of the Fund and the type of investments it holds.

See additional discussion in the Financial Risk Management Discussion in the notes specific to each Fund.

### (b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds, resulting in a financial loss. It arises principally from debt securities held, derivative financial assets, receivables from reverse repurchase agreements, and other receivables. The carrying value of these financial instruments as recorded in the Statement of Financial Position reflects the Funds' maximum exposure to credit risk.

BCI management monitors credit risk through a risk management program detailing the credit rating of all credit-sensitive financial securities held in money market and bond funds. BCI monitors credit risk by evaluating the credit quality of each issuer and counterparty that transacts with the Funds. To perform this evaluation, BCI management relies on ratings from recognized credit rating agencies. BCI also monitors potential financial losses based on probability of default, correlations, and recovery assumptions.

To mitigate credit risk, the Funds maintain specific investment criteria, including minimum credit ratings for counterparties and investees. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. For certain investments and derivative contracts, counterparties must provide adequate collateral and meet minimum credit ratings. BCI management monitors the credit rating of its counterparties as determined by recognized credit rating agencies. With respect to derivative contracts, BCI can terminate all trades with counterparties whose credit rating is downgraded below its requirements, which may be below the credit rating required for entering into new transactions.

For OTC derivatives, BCI's policy also requires the use of the International Swaps and Derivative Association (ISDA) Master Agreement with all counterparties to derivative contracts. The ISDA Master Agreement provides the contractual framework within which dealing activities across a full range of OTC products are conducted. In the case of OTC-cleared derivatives, trading activities are regulated between parties under terms that are customary to such transactions.

As a credit mitigation technique, the ISDA Master Agreement contractually binds counterparties to close-out netting provisions in the case of default by one of the counterparties. Additionally, the Credit Support Annex (CSA) to the ISDA Master Agreement enables BCI to realize any collateral placed with it in the case of default of the counterparty. The CSA also requires BCI to contribute further collateral when requested. All collateral transactions under the CSA are high-quality debt instruments or securities. The CSA also regulates the exchange of collateral when the credit exposure to a counterparty exceeds a predetermined threshold. BCI and its counterparties are generally not authorized to sell, repledge or otherwise use collateral held with respect to derivative contracts.

For repurchase and reverse repurchase agreements, BCI requires the use of the Global Master Repurchase Agreement (GMRA) with all counterparties, which provides a contractual framework for transacting repurchase agreements. These transactions are conducted under terms that are usual and customary to repurchase transactions. Collateral requirements are in place to mitigate counterparty risk for repurchase agreements. Eligible collateral is limited to full-recourse high-quality government bonds. The Funds and counterparties are authorized to sell, re-pledge, or otherwise use collateral held.

The Funds' activities may also give rise to settlement risk. Settlement risk is the risk of loss due to failure of an entity to honour its obligations to deliver cash, securities, or other assets prior to the settlement of the transaction as contractually agreed. All investment transactions are settled or paid upon delivery with approved brokers. The risk of default is mitigated since the delivery of securities sold is made simultaneously with the broker receiving payment. Payment is made on a purchase once the securities have been received by the broker. The trade fails if either party fails to meet its obligations.

See additional discussion of credit risk in the Financial Risk Management Discussion in the notes specific to each Fund.

**(c) Liquidity risk**

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. BCI's approach to managing liquidity risk is to ensure, as far as possible, that each Fund has sufficient liquidity to meet its liabilities when due. Each Fund is exposed to the liquidity risk associated with the requirement to redeem units. Units of a Fund may only be acquired by eligible clients or client groups in accordance with the respective Fund's purchasing limits that may be established by the CIO. In order to protect the interest of all clients, the CIO may also establish redemption limits for each Fund. The purchase and redemption limits may vary depending on market circumstances, client demand, and the liquidity of the underlying investments.

The Funds' cash position is monitored on a daily basis. In general, investments in cash and BCI Money Market Funds are expected to be highly liquid. BCI management utilizes appropriate measures and controls to monitor liquidity risk in order to ensure that there is sufficient liquidity to meet financial obligations as they come due. The Funds' liquidity position is monitored daily by taking into consideration future forecasted cash flows. This helps to ensure that sufficient cash reserves are available to meet forecasted cash outflows.

See additional discussion of liquidity risk in the Financial Risk Management Discussion in the notes specific to each Fund.

**(d) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of its holdings of financial instruments. Each Fund's strategy for the management of market risk is driven by the Fund's investment objective. Investment objectives for the Funds are outlined in the notes specific to each Fund.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.

Money market investments, securities purchased under reverse repurchase agreements, bonds, and private debt investments are subject to interest rate risk. The Fund has established duration bands based on its relevant benchmark to avoid undue active interest rate risk. Money market funds invest in short-term investments and have low interest rate risk.

See additional discussion of interest rate risk in the Financial Risk Management Discussion in the notes specific to each Fund.

**(ii) Currency risk**

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

Some Funds are exposed to currency risk through holding of investments, investment receivables and investment liabilities in various currencies. The Funds may use foreign currency contracts to hedge some foreign currency exposure on investment-related receivables and liabilities and engage in the

buying and selling of currencies through the spot market, forward contracts, futures contracts, and/or options in order to achieve the desired currency exposure.

See additional discussion of currency risk in the Financial Risk Management Discussion in the notes specific to each Fund.

### **(iii) Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk. BCI management monitors active price risk on a monthly basis. Tracking error and beta statistics for all equity Funds are compiled to review that the level of risk is consistent with each Fund's objective.

See additional discussion of other price risk in the Financial Risk Management Discussion in the notes specific to each Fund.

## **9. FAIR VALUE OF FINANCIAL INSTRUMENTS**

### **(a) Fair value hierarchy**

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value requires varying degrees of judgment depending on liquidity, concentration, market uncertainty, pricing assumptions and other instrument-specific risks.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 observable inputs other than Level 1 price, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 inputs that are unobservable.

See additional discussion on the three-tier hierarchy in the Fair Value Measurement Discussion in the notes specific to each Fund.

### **(b) Valuation models**

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exists and other valuation models. Assumptions and

inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives, which reduces the need for management judgment and estimation and the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on events and general conditions in the financial markets.

**(c) Valuation framework**

When third party information, such as broker quotes or pricing services, is used to measure fair value, management assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards. This includes:

- verifying that the broker or pricing service is approved by the Funds for use in pricing the relevant type of financial instrument;
- understanding how the fair value was determined and the extent it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if multiple of quotes for the same financial instrument have been obtained, how fair value was determined using those quotes.

**(d) Financial instruments not measured at fair value**

The carrying value of cash, receivable from sale of investments, interest receivable, other receivables, payable for purchase of investments, payable for redemption of units, BCI cost recoveries payable, interest payable, and other accounts payable approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

**10. TAXES**

Net cumulative capital losses and non-capital losses for the Funds with tax losses are as follows as of December 31, 2025:

<b>Pooled Investment Portfolios</b>	<b>Net Capital Losses</b>	<b>Non Capital Losses</b>
CDOR 2 Floating Rate Fund	\$ 357,769	\$ —
CDOR 4 Floating Rate Fund	10,533	—
CORRA 1 Floating Rate Fund	23,492	—
Short Term Bond Fund	43,391	—
Corporate Bond Fund	2,383,075	—
The Funding Program	1,869,493	44,696
Government Bond Fund	1,858,178	—

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income.

## 11. SECURITIES SUBJECT TO LENDING ARRANGEMENTS

The fair value of securities on loan at December 31 and percentage of securities on loan for the Funds was as follows:

Pooled Investment Portfolios	Fair Value of Securities on Loan		Percentage of securities on loan	
	2025	2024	2025	2024
CDOR 2 Floating Rate Fund	\$ —	\$ 90,983	0.0 %	18.4 %
CDOR 4 Floating Rate Fund	1,139,503	666,894	82.1	42.1
CORRA 1 Floating Rate Fund	4,225,448	1,844,792	47.2	48.7
SOFR 1 Floating Rate Fund	74,831	—	22.6	0.0
Short Term Bond Fund	363,483	600,023	20.5	35.1
Corporate Bond Fund	3,314,155	3,626,173	19.1	21.8
Government Bond Fund	5,824,058	9,221,432	24.6	43.4



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